

University of KwaZulu-Natal

**The development of business management skills through a youth enterprise
development entrepreneurship programme (SAB KickStart)**

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DECLARATION

I declare that “**The development of business management skills through a youth enterprise development entrepreneurship programme (SAB KickStart)**” is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Signed: _____

Date: _____

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ABSTRACT

Entrepreneurship has been cited as a powerful weapon in the fight against the increasing unemployment and poverty levels in South Africa (Moodley & Rowe, 2013).

The SAB KickStart Programme is a youth entrepreneurial enterprise development programme that assists young business owners in terms of grant funding and business management skills training. As the name suggests the programme is aimed at “KickStarting” early stage businesses into sustainable profit generating, employment creating entities with the ambition of fostering entrepreneurship in South Africa.

By identifying the factors that facilitate the development of business management skills will assist in determining the efficacy of such a programme, identify areas that require further development and determine whether the programme is able to meet its objectives. The population of the study comprised of the 2014 “Top 60” youth entrepreneur SAB KickStart participants. Using a questionnaire as the data collection tool results obtained were analysed using descriptive and correlational statistical analysis. Results revealed that the SAB KickStart programme is well suited in developing the relevant business management skills. The factors identified in this study revealed that most participants within the programme were able to translate the teachings and acquired skill development into their business. It can thus be concluded that the SAB KickStart programme is well suited in the development of business management skills to adequately nurture and foster entrepreneurial development in South Africa. The findings from this study proves useful to other similar enterprise development programmes hosted by different companies as it will provide a focussed insight into the factors that are required for business management skill development.

Keywords: Entrepreneurship, business management skills, enterprise development, unemployment

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LIST OF ABBREVIATIONS

| | |
|-------------|--|
| BBBE | Broad based black empowerment |
| HEI | Higher education institution |
| SMME | Small, micro and medium sized enterprise |
| SAB | South African Breweries |

CHAPTER ONE

Overview of Study

1.1 Introduction

Entrepreneurship is viewed as a driver of sustainable economic growth. Entrepreneurs create new markets and businesses through innovation which leads to increased employment which has a multiplying effect on the economy. In addition to the citizens becoming empowered in the process, entrepreneurship also assists the developing country to successfully progress forward and integrate into the global economy (GEM, 2014). By assisting with job creation and economic growth, poverty is reduced. The South African entrepreneurial sector requires the youth to become active participants in creation of small business and meaningful sustainable employment. According to Naicker (2006), youth entrepreneurs lack the necessary business management skills to become sustainable businesses. This chapter presents an overview of the research project where the motivation for the study will be contextualised. The focus of the study will then be presented and the problem statement identified. The research question will be explained in terms of the study objectives. The limitations of the study will be explained. Finally, an outline will be provided so as to logically develop the research process undertaken.

1.2 Motivation for this study

In a recent survey it was reported that a major economic concern in South Africa was the high unemployment rate which was 25% in the second quarter in 2015 (StatsSA, 2015). Together with the widening disparity index in our country there is a need for development into the small, micro and medium sized enterprises (SMME's) in order to create employment for economic growth. The sustainability of the SMME sector is therefore fundamental to combat such fiscal problems. Since entrepreneurs are responsible for the development and growth of new and existing enterprises both large and small, the level of entrepreneurial activity in South Africa is of concern. According to Jiyane & Zawada (2013) many SMME's in South Africa fail within the first year of inception due to the inexperience and lack of business management skills of their owners.

The South African Breweries (SAB) is a prominent private sector company that supports small businesses by facilitating private sector service provision through several of its programmes as part of corporate social investment (CSI) and black economic empowerment (BEE) (Swanepoel, 2008).

One of the programmes within the SAB's small business support department is the SAB KickStart youth entrepreneurship programme which selects potential entrepreneurs (between the ages of 18 and 35) for business management training, funding and mentoring. This programme was selected for this study as it aims to provide entrepreneurship education through business management skills training through targeted training and experienced mentoring. An investigation into the factors that facilitate the development of business management skills from the training utilised by the SAB KickStart Programme will provide valuable information that may serve to improve the current programme, benefitting any future participants as well provide beneficial recruitment information and recommendations for the programme co-ordinators. Furthermore, similar programmes held by organisations different to SAB may apply the findings from this study to their own programmes hence this study could also assist other companies in the area of youth enterprise development.

1.3 Focus of the study

The SAB KickStart programme is run in South Africa on an annual basis. Applicants for the programme first apply to undergo an interview where a shortlisting takes place to select the most promising entrepreneurs. The number of shortlisted applicants from this larger pool is then narrowed down to 60 participants. This shortlisted "top 60", as they are known in the programme, undergo training in entrepreneurship and business management skills. Once the top 60 undergo the training, they are required to develop a business plan which is then adjudicated by a panel of judges and a final selection of 18 finalists are selected to receive grants and mentoring. The study population for this study consisted of the shortlisted "top 60" entrepreneurs selected for training for the 2014 enterprise development programme.

The participants of this study provided valuable information and feedback on the business skills training component of the programme that will highlight any recommendation or changes from a recruitment and training perspective. Any information regarding marketing of the competition and shortlisting criteria within the programme will not be included in this study.

1.4 Problem statement

According to studies conducted by Naicker, (2006) and Naicker and Peters, (2013) the small, micro and medium sized enterprises (SMME) sector in South Africa has been identified as a key area to help reduce high unemployment and poverty rates by improving job creation and creating a more suitably equitable spread of wealth.

The SMME sector in South Africa comprises mainly of entrepreneurs who require the necessary business management skills in order to become profit generating sustainable businesses that create employment and in turn reduce poverty (Naicker, 2006). This view of entrepreneurship as a possible solution to economic problems is not uniquely South African and is supported by Gordon (2012) in the United Kingdom as well as other researchers globally.

The focus of this study will revolve around Swanepoel's (2008) study which determined the effect of the interventions of the South African Breweries' (SAB) KickStart youth entrepreneurship programme on entrepreneurial and small business performance in South Africa. This study will attempt to determine the factors that facilitate the development of business management skills through a South African enterprise development youth entrepreneurship programme. This study was conducted within the South African context and provide insight into the effectiveness of youth enterprise development programmes as well as recommend possible strategies that may possibly enhance/promote business management skills within such programmes.

1.5 Aim and Objectives

1.5.1 Main Aim

The main aim of the study is to identify factors that facilitate the development of business management skills through a South African enterprise development youth entrepreneurship programme (SAB KickStart).

1.5.2 Objectives

The main aim was achieved through the following objectives:

- To compile a demographic profile of the participants of the enterprise development programme according to *gender, age, highest level of education*, to determine if a relationship between these demographic factors and the development of business management skills exists.
- To identify whether work experience in terms of managerial experience and type of business industry could serve as a factor correlating to the development of business management skills.
- To determine the impact of the enterprise development training on the businesses management knowledge and skills of the participants.

1.6 Summary of Chapters

The thesis consists of five chapters as summarized below:

Chapter One provides an overview of the present study as well as the rationale for the study. The chapter concludes with a summary of the chapters to follow in the thesis.

Chapter Two consists of a literature review that provides a review of past and current research on business management skills nationally and internationally.

Chapter Three provides the methodological framework of the research. It presents the main aim of the study along with the objectives. The description of participants and selection criteria are explained. The ethical considerations that were taken and adhered to throughout the study are elucidated.

Chapter Four presents the results of the study in accordance with the main aim and objectives. A discussion of results then follows with reference to relevant literature to support research findings.

Chapter Five concluded the thesis and the research question is answered. Implications for future research are proposed. The limitations of the study and implications for admission and selection procedures are provided.

1.7 Conclusion

The development of business management skills for entrepreneurs is a critical component of business growth, sustainability and success. As part of their balanced Broad based Black Empowerment (BBBE) scorecard, many of the corporate companies' offer enterprise development training which includes both grant funding and business management skills training. This study is aimed at identifying factors that facilitate the development of business management skills through a South African enterprise development youth entrepreneurship programme, namely SAB KickStart. This chapter has provided an overview of the motivation and focus of the study, highlighted the problem statement and presented the main aim with objectives. Finally a summary of the following chapters were outlined. The next chapter will focus on a review of the relevant literature to gain an understanding of the concept and models of entrepreneurship, enterprise development and the small, micro and medium sized enterprises (SMME) climate ending with information about the South African Breweries (SAB) KickStart Programme.

CHAPTER 2

Literature review

2.1 Introduction

South Africa is a society in transition from Apartheid to democracy since February 1990 (Sang-Hyun, 2008). This process has been difficult by societal divisions, conflict, increasing unemployment, greater poverty levels and tighter fiscal imperatives (Moodley & Rowe, 2013). Despite being classified as an upper middle income country, South Africa has the highest level of inequality in the world with a gini coefficient of 0.70 with the poorest fifth of the population accounting for 2 % of the country's income and consumption, and the richest fifth for 72% (Moodley & Rowe, 2013, p2). With this widening disparity index and with increasing unemployment year on year, South Africa is in desperate need of interventions to combat these amongst other financial problems. Entrepreneurship has been cited as a possible solution to this problem (Moodley & Rowe, 2013).

The economic problems that South Africa faces is not uniquely its own and can be viewed as a global concern due to the current economic downturn. These circumstances and situations add to the high unemployment rate and require a person, who either aspires to run a business or is already in the business environment, to be equipped with skills to access and assess relevant business information and skills in order to sustain and develop a business (Jiyane & Zawada, 2013).

This literature review will introduce the concept of entrepreneurship using specific and relevant models to facilitate an understanding of the area under study. A brief overview on the historical perspective of entrepreneurship as well as the role of government in fostering entrepreneurial growth will then be discussed. Thereafter the small micro and medium-scale enterprise (SMME) is defined followed by the importance of entrepreneurial skills and success. Finally the South African Breweries KickStart enterprise development programme is discussed to provide a background and overview of the different stages of the programme that participants of this study are involved in.

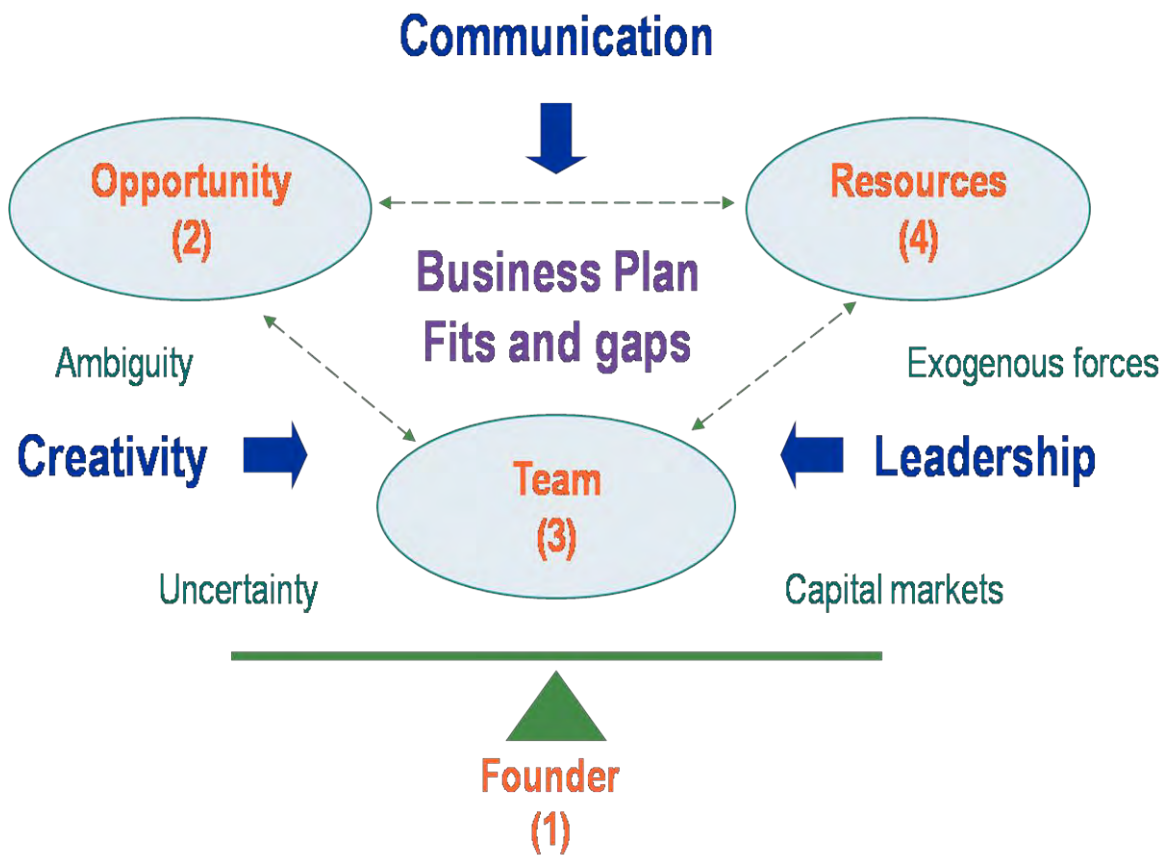
2.2 Defining entrepreneurship

“Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach, and leadership balanced” (Timmons & Spinelli 2004, p47). Entrepreneurs create new markets and businesses which leads to increased employment as more work is created and this has a multiplying effect on the economy. In addition to the citizens becoming empowered in the process, entrepreneurship also assists the developing country to successfully progress forward and integrate into the global economy (Timmons & Spinelli, 2004).

As far back as 1928, Schumpeter stated that the essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business (Wingham 2004, as cited in Swanepoel, 2008). In line with Schumpeter’s statement, and accounting for both individual and societal concerns that the environment that the entrepreneur is embedded in, is the widely used Harvard definition of entrepreneurship, which is the pursuit of opportunity beyond the resources you currently control (Stevenson 1983 as cited in Swanepoel, 2008).

Timmons concluded that entrepreneurship is a highly dynamic process that is opportunity focused, driven by a lead entrepreneur and an entrepreneurial team, is resource parsimonious and creative, depends on the fit and balance between these, and is integrated and holistic. This is exhibited in his model of the entrepreneurial process in Figure 2.1 (Timmons, 2004 p. 57).

Figure 2.1: The Timmons model of the entrepreneurial process



Source: Timmons & Spinelli (2004).p.57. *New venture creation: entrepreneurship for the 21st century*. 6th edition. Boston: Irwin McGraw-Hill

From the above definitions it seems that to understand entrepreneurship, one should not only investigate the “who” and the “what” but also the “how” of entrepreneurship, in other words, not only the personality aspects but also the behavioural aspects of Entrepreneurship, as the basic personal traits and skills that the entrepreneur possesses is also a vital component (Williams et.al 2013). In addition, it is clear from Figure 1, which clearly shows that opportunity (2) is pursued beyond the resources (4) controlled as per the Harvard definition. This is especially true for developing countries and nations as according to the GEM Report (2014),p.34, “entrepreneurial intentions are the greatest among factor driven economies and the lowest among innovation-driven economies”, which shows that starting one’s own business is dominant when there exists limited options to provide income for living. However, (Cross, 2001 as cited in Williams et.al. 2013) challenges the depiction of factor driven entrepreneurs always being associated with low pay and survival and states

that these entrepreneurs can actually be opportunity driven as they have identified an opportunity in their quest to survive or provide. The researcher further states that even these factor driven entrepreneurs actually can develop into larger tax paying and economy contributing businesses.

Entrepreneurship is not a new concept and the study of entrepreneurship reaches back to the work in the 17th and early 18th centuries of Richard Cantillon and Adam Smith, who were early pioneers in the study of microeconomics (Jones & Wadhani, 2006). The next paragraph will discuss the history of entrepreneurship starting in the early 20th century.

2.3 History of entrepreneurship

In the period between 1940 to 1950 business historians, Joseph Schumpeter pioneered the academic arena in the study of entrepreneurship (Jones & Wadhani, 2006). The Austrian economist's ideas helped establish entrepreneurship as a substantive area of historical research and deepened the importance of the business historians' endeavours by linking entrepreneurship to a theory of economic change (Jones & Wadhani, 2006). During this period German historical sociologists explored the role of religions and social interactions play in the development of economic gain (Weber, 1904, as cited in Jones & Wadhani, 2006). Following on from this period, in the early twentieth century, there was an increased emphasis on the role of entrepreneurship in bringing about economic change. Up until his last days leading to his passing in 1950, Schumpeter, stressed that the empirical study of entrepreneurship was a historical endeavour that was retrospective in nature as a critical element in the process of industrial and economic change that occurred during the 1940 -1950 period (McCraw, 2006).

Following up on the this Schumpeter, also encouraged the social scientific investigation of entrepreneurship that focussed not only on entrepreneurs and their businesses but also on temporal changes in the industries, markets, societies, economies, and political systems in which they operated (McCraw 2006). Historically the political environment and the roles of governments worldwide, plays a

major role in the field of entrepreneurship and this will be discussed further in the next section.

2.4 Historical government entrepreneurship perspective

Business history research has made a significant contribution in portraying how entrepreneurial performance takes place within a wider political economic environment. “With perhaps the single exception of Britain in the eighteenth century, governments have contributed to entrepreneurship and firm growth not only by providing (or not providing) institutional rules of the game, but through a wide range of policy measures”, (Jones & Wadhani, 2006, p.11). First World nations, in particular have enjoyed the benefits of government support in the development of entrepreneurship and the rapid growth in the US’s economy that occurred in the 19th century definitely benefited from the United States government policy. According to Scheiber, 1973, as cited in Jones & Wadhani, 2006, the United States government gave away much of their purchased land to willing entrepreneurs in turn fostering infrastructure investments. In addition to this, the US tariff protection that occurred in the late 19th century help strengthen market opportunities for entrepreneurs by stopping the entry of cheaper imports from Europe.

The impact of government intervention is also seen in more developing nations as well. In Southeast Asia, the government stresses cultural influence, the role of family and the Confucian value system in the entrepreneurial environment. In terms of the Confusion value system, it is evident that the government can also be responsible in the creation of an entrepreneurial culture, as Confusion values social trust, social obligations and family values (Jones & Wadhani, 2006). However, business historians have shown that the growth of Chinese entrepreneurship in Southeast Asia has to be placed within a longer political economic context. ‘From the fourteenth century, the region’s rulers favoured foreign over local merchants because the latter might pose a political threat’ (Jones & Wadhani, 2006, p. 9). Through the seventeenth century local trading continued to flourish, but it was at the time of the arrival of the Western merchants that the Chinese role became greatly strengthened, as the Chinese positioned themselves as much needed intermediaries. By the late nineteenth century, the Chinese had marked their niche,

secured the position of revenue farmers across the region and this made them indispensable for local governments, while providing a source of funds for their own business interests (Brown 2000).

From a global historical perspective of governments support and intervention in the field of entrepreneurship, it can be seen that in order for entrepreneurship to flourish in a country, there is an evident need for support from the government to foster entrepreneurial growth.

The post-Apartheid South African government has promoted entrepreneurship by establishing departments that serve to support and foster entrepreneurial development. Some of these initiatives include policies aligned to assist and support SMME's, the Department of Trade and Industry (DTI) is an example of an organisation who provide financial assistance to emerging entrepreneurs as well as the National Youth Development Agency (NYDA) which offers support to entrepreneurs seeking assistance in sourcing resources for business development for the youth (Jonker et al., 2009).

According to Guzman & Santos (2001), as cited in Naicker & Peters (2013), the entrepreneurial skill level of a business owner is a crucial factor in developing resiliency and overcoming barriers to achieve sustainable growth. Since SMMEs are often seen as 'tiny acorns from which large oak trees can grow' (Thorpe et al. 2009, 201, as cited in Gordon, 2012), the view of governments throughout the developed world is that this sector should be supported and encouraged (Gordon et al, 2012). In South Africa, Peters (2009), as cited in Naicker & Peters (2013) is in agreement, highlighting the need for the South African government interventions to foster a culture of entrepreneurship amongst South Africans.

According to Naicker (2006), the government, through its Department of Trade and Industry (DTI), established the Centre for Small Business Promotion (CSBP). The CSBP then established Ntsika Enterprise Promotion Agency (which is now known as the Small Enterprise Development Agency - SEDA) and Khula Enterprise Finance Limited. These are the main South African government statutory bodies that are used to assist entrepreneurial development in South Africa.

A recent study conducted by Naicker & Peters (2013) aimed to establish whether the South African government plays a significant role in supporting small business in KwaZulu-Natal. The researchers evaluated the impact that the South African government makes to aid entrepreneurs in employment creation and turnover growth. The data collection tool used was a questionnaire and the participants consisted of owners of small and medium sized enterprises in the KwaZulu-Natal province. Results of the study revealed that 'government support initiatives' in creating an enabling environment by reducing unemployment and creating a more equitable distribution of wealth is ineffective. The researchers further sighted that increased support from government at the SMME level will assist the overall South African economy, help reduce unemployment and create a suitable spread of wealth the central focus should begin at the level of the small medium and micro enterprise sector (Naicker & Peters, 2013).

2.5 Defining the small, micro and medium sized enterprises (SMME)

One of the important characteristics of a healthy economy is a growing SMME sector. SMMEs play a role in improving development in South Africa. They contribute to socioeconomic development by creating sustainable, meaningful employment for a growing labour force in the urban and rural area of South Africa (Naicker & Peters, 2013).

Firms differ in size according to the industries in which they operate. Capitalisation, sales force and employment opportunity varies from industry to industry (Mahembe, 2011). With this being said, definitions of business size based purely on number of employees, turnover and net worth and when applied to one sector may lead to the incorrect classification of size when applied to a different industry (Mahembe, 2011). Therefore SMME definitions can be broadly categorised into two, "economic" and "statistical" definitions (Mahembe, 2011).

According to Mahembe, 2011, p. 22 "Under the economic definition, a firm is regarded as small if it meets the following three criteria:

- (1) It has a relatively small share of their market place;

(2) It is managed by owners, or part owners, in a personalised way and not through the medium of a formalised management structure;

And (3) it is independent in that it is not part of a larger enterprise.

The “statistical” definition, on the other hand, is used in three main areas:

(1) Quantifying the size of the small firm sector and its contribution to GDP, employment and exports;

(2) Comparing the extent to which the small firm sector’s economic contribution has changed over time;

And (3) in a cross country comparison of the small firms’ economic contribution.

These definitions, however, have a number of weaknesses.

According to the Yon & Evans (2011), the definition of SME must include both quantitative and qualitative indicators. Having discussed in the previous paragraph the statistical, quantitative definition of SMME’s, Yon & Evans uses qualitative differences between SME’s and large companies in their definition.

Table 2.1: the main qualitative indicators to differentiate between SME’s and large firms

| CATEGORY | SME | LARGE COMPANY |
|-----------------------|---|---|
| Management | <ul style="list-style-type: none"> • Proprietor entrepreneurship • Functions-linked personality | <ul style="list-style-type: none"> • Manager-entrepreneurship • Division of labour by subject matters |
| Personnel | <ul style="list-style-type: none"> • Lack of university graduates • All- round knowledge | <ul style="list-style-type: none"> • Dominance of university graduates • Specialisation |
| Organisation | <ul style="list-style-type: none"> • Highly personalized contacts | <ul style="list-style-type: none"> • Highly formalised communication |
| Sales | <ul style="list-style-type: none"> • Competitive position not defined and uncertain | <ul style="list-style-type: none"> • Strong competitive position |
| Buyer’s relationships | <ul style="list-style-type: none"> • Unstable | <ul style="list-style-type: none"> • Based on long-term contracts |
| Production | <ul style="list-style-type: none"> • Labour intensive | <ul style="list-style-type: none"> • Capital intensive, economies of scale |
| Research development | <ul style="list-style-type: none"> • Following the market, intuitive approach | <ul style="list-style-type: none"> • Institutionalised |
| Finance | <ul style="list-style-type: none"> • Role of family funds, self-financing | <ul style="list-style-type: none"> • Diversified ownership structure, access to anonymous capital market |

Source: Adapted from Yon, R., Evans, D. (2011). *The role of small and medium enterprises in Frontier Capital Markets*. Network Science Center, West Point.

According to Section 1 of the National Small Business Act of 1996 as amended by the National Small Business Amendment Acts of 2003 and 2004 (NSB Act), a small business is defined as “... *a separate and distinct business entity, including co-operative enterprises and nongovernmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub sector of the economy mentioned in Column I of the Schedule...*”.

This Act further categorises small businesses in South Africa into distinct groups, namely; survivalist, micro, very small, small and medium, hence the use of the term “SMME” for small, medium and micro-enterprises. However, the terms ‘SMME’ and ‘SME’ are used interchangeably in South Africa (Mahembe, 2011).

Table 2.2: the definition of SMME according to number of employees per business size category, annual turnover and assets. (National Small Business Act, 1996)

| Enterprise size | Number of employees | Annual turnover (ZAR) | Gross assets (excluding fixed property) |
|-----------------|--|---|--|
| Medium | Fixed Property Fewer than 100 to 200, depending on Industry | Less than R4 million to R50 m depending upon Industry | Less than R2 m to R18 m depending on Industry |
| Small | Fewer than 50 | Less than R2m to R25 m depending on Industry | Less than R2m to R4.5 m depending on Industry |
| Very Small | Fewer than 10 to 20 depending on Industry | Less than R200 000 to R500 000 depending on Industry | Less than R150 000 to R500 000 depending on Industry |
| Micro | Fewer than 5 | Less than R150 000 | Less than R100 000 |

Source: Adapted from Falkena et al. (2004). *Competition in South African Banking. Task Group Report for the National Treasury & the South African Reserve Bank.* Pretoria. South Africa.

Despite their significant contribution to economic growth, SMEs across the world, and in SA in particular, are still faced with numerous challenges that inhibit

entrepreneurial growth. Some of these challenges include access to funding and access to markets. In addition to access funding, the Global Entrepreneurship Monitor (GEM) Reports (2014) noted that South African SMME's also suffer from poor management skills which is a result of lack of adequate training in business management skills, (Mahembe, 2011).

2.6 Business management skills in the SMME sector

In order for economic growth to occur in South Africa, there is a need for the continuous development and improvement of business skills in the SMME arena that is suitable enough for the creation of even more sustainable SMME's. Therefore in order to improve productivity and increase and improve numbers and quality of jobs there needs to exist a developmental drive toward improving the skills and knowledge of relevant business management skills of entrepreneurs who own SMME's.

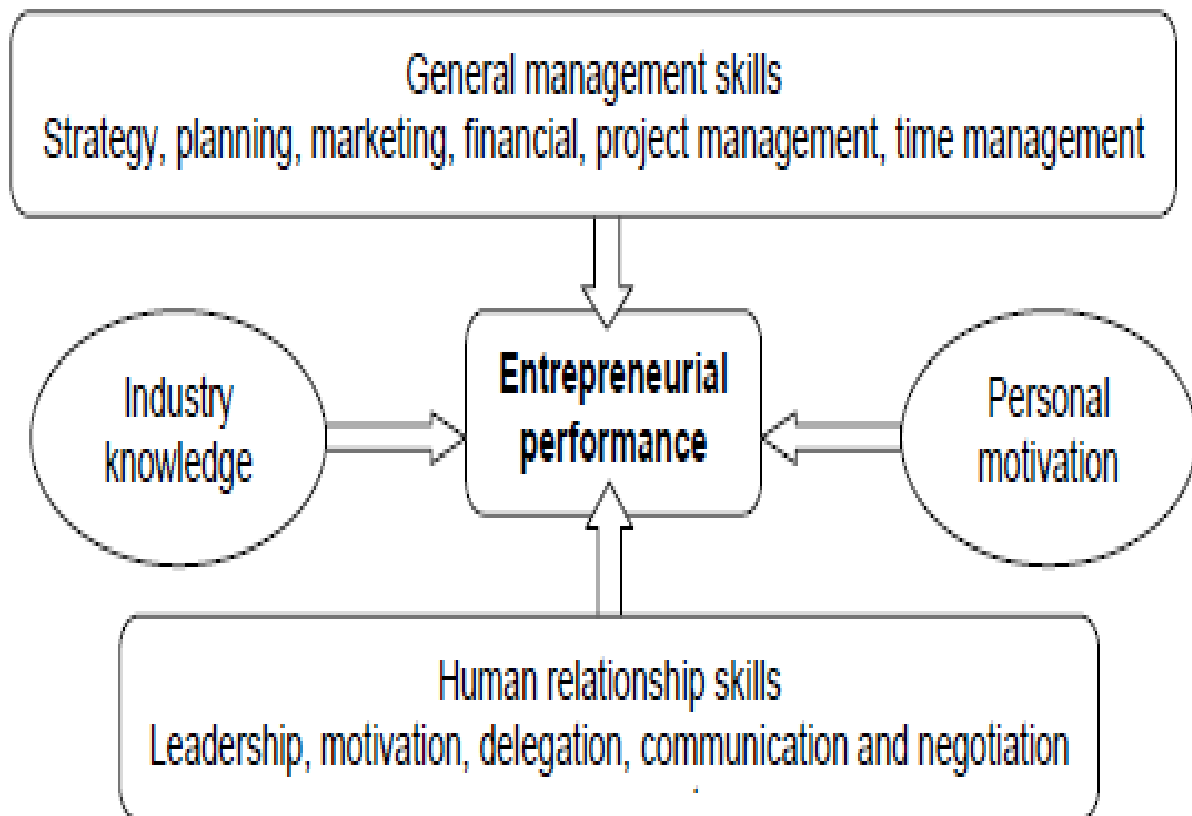
In a local study conducted by Tustin (2003) who did a skills audit to identify available skills and future skills of established micro and small business enterprises (SMME's) in Northern Tshwane with 160 SMME owners. The researcher found that the SMME's possessed extremely rudimentary financial and business skills. A questionnaire was used as the data collection tool which focussed on areas such as location of business, experience/qualification and generic skills levels of workers. From their findings, business trade skills was the most significant factor that needed development followed by basic business managerial skills. The researcher reported that business trade and managerial skills preceded the other skills and this highlighted the importance of business management skills in the effective functioning of SMME's.

2.7 Entrepreneurial skills and entrepreneurial success

According to Wickham, (2004), successful entrepreneurial performance is largely dependent on the outcome of integration of industry knowledge, general business management skills, and personal motivation and people skills, (Fig 2.2).

General business management skills include strategy, project management, time management skills as well as industry experience. People skills are further broken down into leadership skills, motivation skills, communication and negotiation skills (Wickham, 2004).

Figure 2.2: Factors influencing entrepreneurial success



Source: Wickham, PA. 2004. *Strategic entrepreneurship*. 3rd edition. Harlow: Prentice-Hall –Financial Times. p154.

2.7.1 Financial literacy skills.

According to the Banking Association of South Africa (BASA, 2011, as cited in Jiyane and Zawade, 2013), there is an evident lack of financial literacy in South Africa. Financial literacy is important to entrepreneurs as it fosters capitalism and creates market driven business growth opportunities as well as assists entrepreneurs in properly managing their finances in order for their businesses to sustainably prosper.

Jiyane & Zawada, (2013) investigated the level of business skills of informal sector women entrepreneurs (ISWE's) in the kwaDlangezwa, Esikhawini and Empangeni areas of Northern KwaZulu-Natal.

The financial literacy skills investigated math literacy levels and general financial management skills. The researchers collected data using qualitative focus group discussions as well as interviews. Results revealed that participants lacked adequate money management skills, mathematic literacy as well as business operation skills in terms of record keeping short term budgeting and inventory taking. The researchers cited these skills as fundamental aspects of good business management.

The participants of the current study come from both formal and informal sectors and helped optimise our findings and gain insight into both sectors. The study population consisted of young entrepreneurs under the age of 35 as this age group forms the target population of the enterprise development programme due to the possible higher return on investment on young entrepreneurs as opposed to those of an older age. Participants were selected from all provinces of South Africa which is different to the study by Jiyane & Zawada (2013) which only focussed on participants from Northern KwaZulu-Natal.

2.7.2 Gender variations and skill development amongst entrepreneurs.

In a study conducted by Williams et.al. (2013) which aimed to evaluate the gender variations in informal sector entrepreneurship in Brazil, it was found that female entrepreneurs were more likely to be more need driven than males in their entrepreneurial endeavours. The study also revealed that women participants who responded to their questionnaire seemed to be higher qualified in terms of management skills than the male respondents. This finding was in keeping with the international perspective on gender variations amongst entrepreneurs suggest that men and women have different business management skills and motivations for becoming entrepreneurs (Williams et. al. 2013). The current study aimed to explore whether gender plays a role in the development of business management skills from an enterprise development perspective.

2.8 Business enterprise development

Enterprise development is defined as the act of investing money and skills and assisting people start, expand or improve businesses (Swanepoel, 2008). The corporate climate in South Africa is ideally positioned with the Broad Based Black Empowerment (BBBE) codes as the opportunity to grow small business and in turn positively enhance economic transformation becomes greater.

A similar study to the current study was conducted by Swanepoel (2008) to determine the effectiveness of the interventions used by the South African Breweries (SAB) KickStart Programme to establish and grow entrepreneurial small businesses among young South Africans.

The population for the study comprised all the participants of the SAB KickStart Programme, from 2001 to 2006. The researcher used a questionnaire as the data collection tool and the main findings that emerged from this study was that the funding, mentoring and training within the SAB KickStart programme all add value to the programme and this was measured by the existence of the businesses post training and mentoring within the programme. The findings revealed that eighty percent of the participants still ran and owned their existing business when they started the SAB KickStart programme. In this study a similar evaluation of the SAB KickStart programme was conducted, however the researcher determined whether skills acquired through the enterprise development course is suited to meet the needs of young entrepreneurs specifically with regard to business management skills.

“Historically, business and management schools, especially university-based schools, have had an increasing impact on business knowledge, how it is transferred and delivered to students and managers” (Gibb 2009, p 212). In another study conducted in the United Kingdom, by Gordon et al, (2012) that investigated the growth impact made to businesses after business owners participated in a business development programme delivered by a Higher Education Institution (HEI). According to the researchers, the business program offered by the HEI is to create a medium for developing necessary higher-level skills of entrepreneurs to support their small business growth (Gordon et al, 2012). The results revealed that the support

offered by the HEI was too prescriptive, product focussed and poorly designed to meet the needs of a small emerging business.

According to the Impact Amplifier Report (2013), there still exists 3 challenges that threaten the full potential of enterprise development. These are:

1. The lack of business management skills of SME entrepreneurs
2. The misalignment of enterprise development programmes objectives and applications.
3. The lack of monitoring of the impact of enterprise development programmes.

It is therefore clearly evident that a study of this nature may serve to possibly mitigate against these challenges by exploring the level of skill development and measuring the impact of such initiatives.

2.9 The South African Breweries (SAB) KickStart programme

The South African Breweries (SAB) is a multi-national conglomerate involved in the sale and service of many diverse products. In South Africa SAB's core business centres around its seven breweries that operate in different provinces of the country (Swanepoel, 2008). In the DTI's Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (DTI 2005,p.13) reference is made to the fact that "certain large corporations have developed and implemented their own in-house programmes, such as the youth enterprise support programmes of South African Breweries (SAB KickStart), Anglo-Zimele and Shell Petroleum (Shell Live Wire), which provide training and support and run youth entrepreneurship awards". The purpose of explaining the SAB KickStart programme in this section is to facilitate understanding of the enterprise development programme in terms of the selection criteria process right through to the finalist's selection, as well as the level of skills training offered.

"SAB, South Africa, operates at the centre of industry transformation charters which have to be harmonised with the Department of Trade and Industry's broad-based black economic empowerment scorecard and codes of good practice" (Swanepoel, 2008, p. 120). The SAB KickStart Programme focuses on reducing poverty and unemployment through quality-driven intervention at the small, micro and medium-

sized enterprise (SMME) level. SAB, as part of their Corporate Social Investment (CSI) initiatives, has invested more than R34 million, in the SAB KickStart Programme, one of the company's key CSI projects which deals with investment in entrepreneurial SMME's (Swanepoel, 2008).

Since the SAB KickStart's inception in May 1995, SAB has assisted in the launch of more than 3 000 businesses. Many of these start-up companies have successfully developed into multi-million rand enterprises, with a few even operating globally. "In the early years, funding was provided to a large number of previously disadvantaged young adults (blacks, coloureds and Asians) to develop their own businesses. In 2001, the SAB KickStart Programme switched from a numbers-driven approach, which focused on poverty alleviation, to a quality-driven and carefully monitored intervention at the SMME level with the aim of inculcating a culture of entrepreneurship and creating sustainable enterprises among the previously disadvantaged groups.", (Swanepoel, 2008, p123).

Selection of candidates is a stringent process and potential candidates undergo a psychological test selection that measures entrepreneurial candidacy, this is called the General Enterprising Tendency (GET) test and will be discussed with greater detail in the next section. There are many phases for a candidate to undergo before he or she is selected for the final levels.

These phases are highlighted and explained below:

2.9.1 Phase 1: Awareness campaign

The SAB KickStart Programme begins in April/May each year with a strong recruitment drive through the national press and small business agencies. Nationally, SAB receives about 7 000 applications. Application forms are available from SAB's five regional offices or from their website, and the due date for the submission of applications is the last day of May. The following information is requested on the application form: the demographic information of the applicant, information about the business/management team, financial and employment data of the business, and the owner's monetary contribution to the business, as well as, a description of the type of

business, the business concept, and location of the business, its market and its vision. The applicant has to attach a business plan, the curriculum vitae of business team members, the latest annual financial statements and management accounts, the latter only if the business is already operating. All incomplete applications are summarily eliminated.

In May, the selection of trainers/mentors (from outside SAB) to be involved in the SAB KickStart Programme takes place. In each of the five regions, SAB invites individuals with the appropriate qualification(s), training/lecturing experience, a strong SMME development background and relevant entrepreneurial experience (they must have owned a business) to present their skills to the regional SAB panel, who appoint the SAB KickStart trainer/mentor for their region.

2.9.2 Phase 2: Recruitment and training

From each of SAB's five operating regions, 60 participants are selected by considering the scores of applicants on the General Enterprising Tendency (GET) test, the quality of their business plans and their presentations to a panel of adjudicators. The GET test, developed by Durham University, "is an assessment tool used to assist in evaluating potential entrepreneurial tendencies. It measures the following dimensions: Need for achievement; Need for autonomy; Creative tendencies; Moderated/calculated risks; and Drive and determination" (GET 2014, p.2). The psychologists discuss the results with the regional coordinators. Feedback on the GET test results is given to the tested applicants when they present their business plans to the regional adjudicating panel, during a 30-minute interview. The selected participants then participate in a two-week "live-in" training course that includes training in entrepreneurship and business skills at the Gordon Institute of Business Science (GIBS). Training includes but is not limited to, areas such as production management, marketing, financial management, human resources management and the developing and refining of the business plan.

2.9.3 Phase 3: Business plan competition for grants

On completion of the course, the participants are given one month in which to prepare a business plan on a preferred business idea. The business plans are

presented to a panel of adjudicators in each region, for evaluation. Based on the results, each region allocates discretionary grants from its budget to “kick-start” five to eight of the most promising potential businesses or existing businesses. This cohort is informally known as the Top 16 finalists or KickStarters and they are selected as follows: On completion of the two-week business skills training, the candidates are given one month in which to draw up a business plan on their preferred business idea and they may call on the trainer/mentor for assistance. The business plans, together with a judging/scoring sheet are distributed in advance (September) to the regional panel of adjudicators (panel 3) who are typically selected from the SME financing divisions of banks, organisations involved with financing and development of SMME’s, successful entrepreneurs and tertiary educational institutions. Several SAB representatives join the panel. Candidates each have 30 minutes in which to present their business to the panel.

Thereafter, the panel deliberates and selects grant recipients. At a regional award and certification ceremony (October to December) all participants who completed the business skills training and the business plan receive a KickStart training certificate.

Once the Top 16 are selected, the SAB KickStart grant is issued to the recipient by submitting three quotes for the required assets to enhance their business to SAB. SAB first checks whether any of their existing vendors, including KickStarters from previous years, could supply the assets. If none of the existing vendors registered with SAB can supply the assets, the new supplier must first register as a vendor on the SAB system. In order to do this a supplier has to submit a completed Vendor Creation Form, a completed Vendor BEE Ownership Control Questionnaire, an original company letterhead and an original letter from the bank at which the company account is held. Once SAB has approved a supplier, payment is made directly to them. The purpose of this procedure is to ensure that the grant is applied to establish or expand the enterprise, and not for any other purposes. Upon the allocation of the grant, the winner enters into a contract with SAB whereby he or she agrees to submit monthly progress reports and management accounts to the mentor by the 10th of every month and to meet with the mentor monthly.

2.9.4 Phase 4: success enhancement

Intensive and interactive mentoring of these winning enterprises continues for a further eight months. SAB also provides direct support through the introduction of high-level networking to stimulate business development, and helps the small businesses gain public relations exposure. The KickStart trainers/mentors submit monthly reports on the progress of each grant recipient to the Enterprise Development Department at SAB Head Office in Sandton, Gauteng. A standardised form covering the following topics is used:

- **Owner's report.** The report covers key achievements, major problems experienced by the entrepreneur and established goals.
- **Statistical data.** The data include information on job creation by gender and race, financial results and trading status.
- **Mentor's report.** The mentor provides comments on the business and an overall impression. He or she rates the business activities on a five-point scale with regard to the following activities: its professionalism, business planning, production management, marketing management, human resources management, financial and administration management, general management, PAYE (pay as you earn) submissions, UIF (Unemployment Insurance Fund) submissions, RSC (Regional Services Council) levy payments, VAT (value-added tax) as well as the timeous return of completed and the submission of the monthly financial statements. He or she also advises on the training needs of the KickStarter. These monthly reports are then analysed by the Business Development Specialist for the SAB KickStart Programme so that constructive feedback on marketing, operational and financial issues of the enterprise can be given. It is the responsibility of the KickStart trainer/mentor to discuss any issues of concern with the KickStarter and to guide the latter where necessary. Should a grant recipient renege on the contract, SAB may exercise the option to withdraw the remainder of the grant and repossess the business assets purchased with grant money. To prevent this, a meeting focusing on corrective action is scheduled.

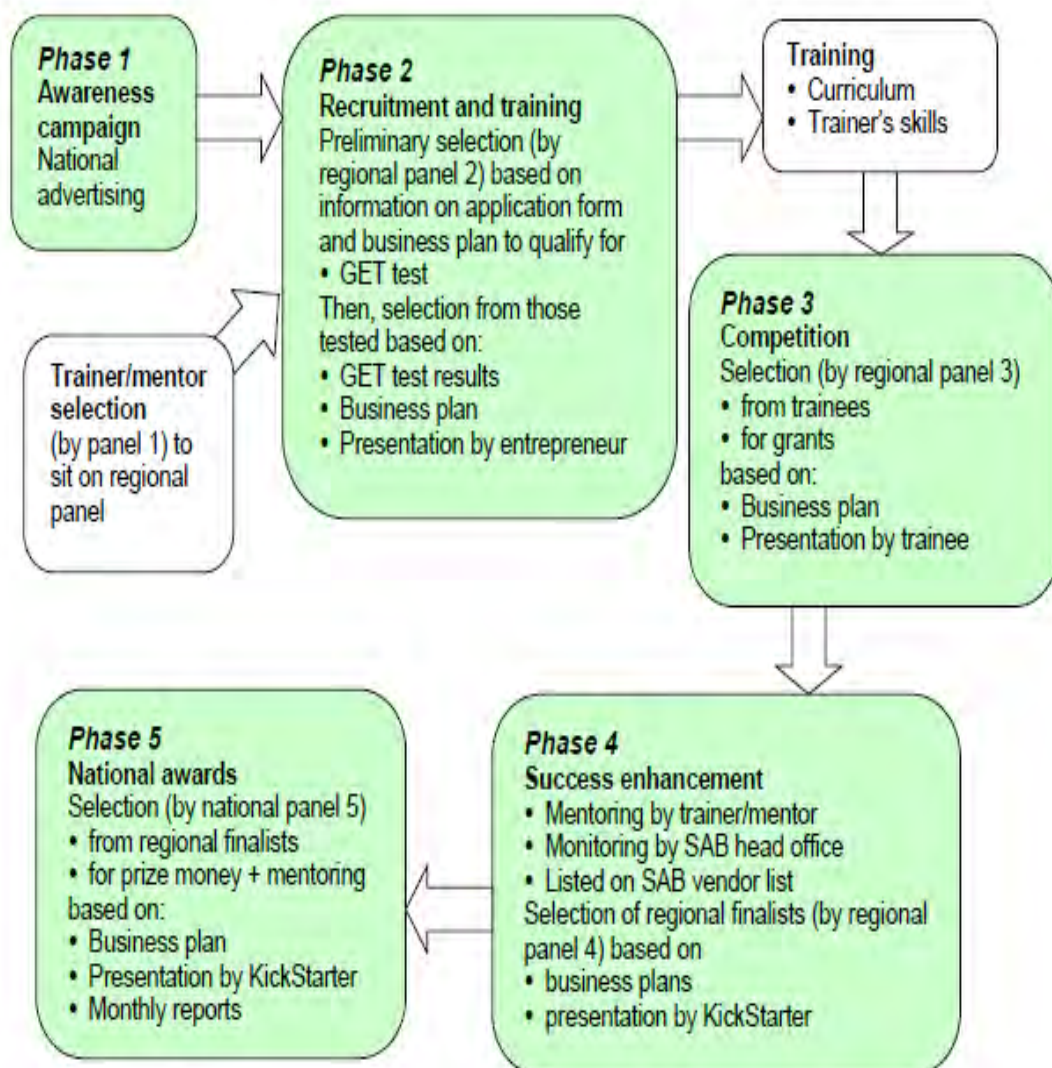
The monthly reports are used in the selection of regional finalists and the percentage growth of the business in terms of employment, sales and profit are supposed to be deciding factors. A regional adjudicating panel, constituted in the same way as panel

3 (see phase 3), selects the three best-performing KickStarters to represent the region in the national competition

2.9.5 Phase 5: National awards

Each region chooses three of its best performers for a national adjudication process to select the top winner's prize money, which includes a further business grant, business mentorship for a further six months and an overseas business trip to Asia.

Figure 2.3: Phases of and interventions used by the SAB KickStart Programme



Source: Swanepoel, E. (2008). P.124. *The effect of the interventions of the South African Breweries' KickStart youth entrepreneurship programme on entrepreneurial and small business performance in South Africa*. Pretoria: UNISA. (Thesis-Doctor of Commerce).

2.10 Summary

From the studies under review, it is can be seen that there is a need for skills development in the area of business management from a SMME as well as informal sector perspective. Further to skills development governments role in fostering entrepreneurial skills and development was also investigated by Naicker & Peters (2013) as well as the effectiveness of a tertiary level institute in business skill development and growth (Gordon et al, 2012). After a review of the literature it can be concluded that the business development skills seems to be a concern in developed, first world nations such as the United Kingdom right through to the informal rural regions of Northern KwaZulu-Natal in developing South Africa. The SAB KickStart programme formed part of this literature review as it is this programme in which the participants of this study underwent business management skills training. Therefore this study aims to investigate, the ***development of business management skills through a youth enterprise development entrepreneurship programme (SAB KickStart)***.

CHAPTER THREE

Methodology

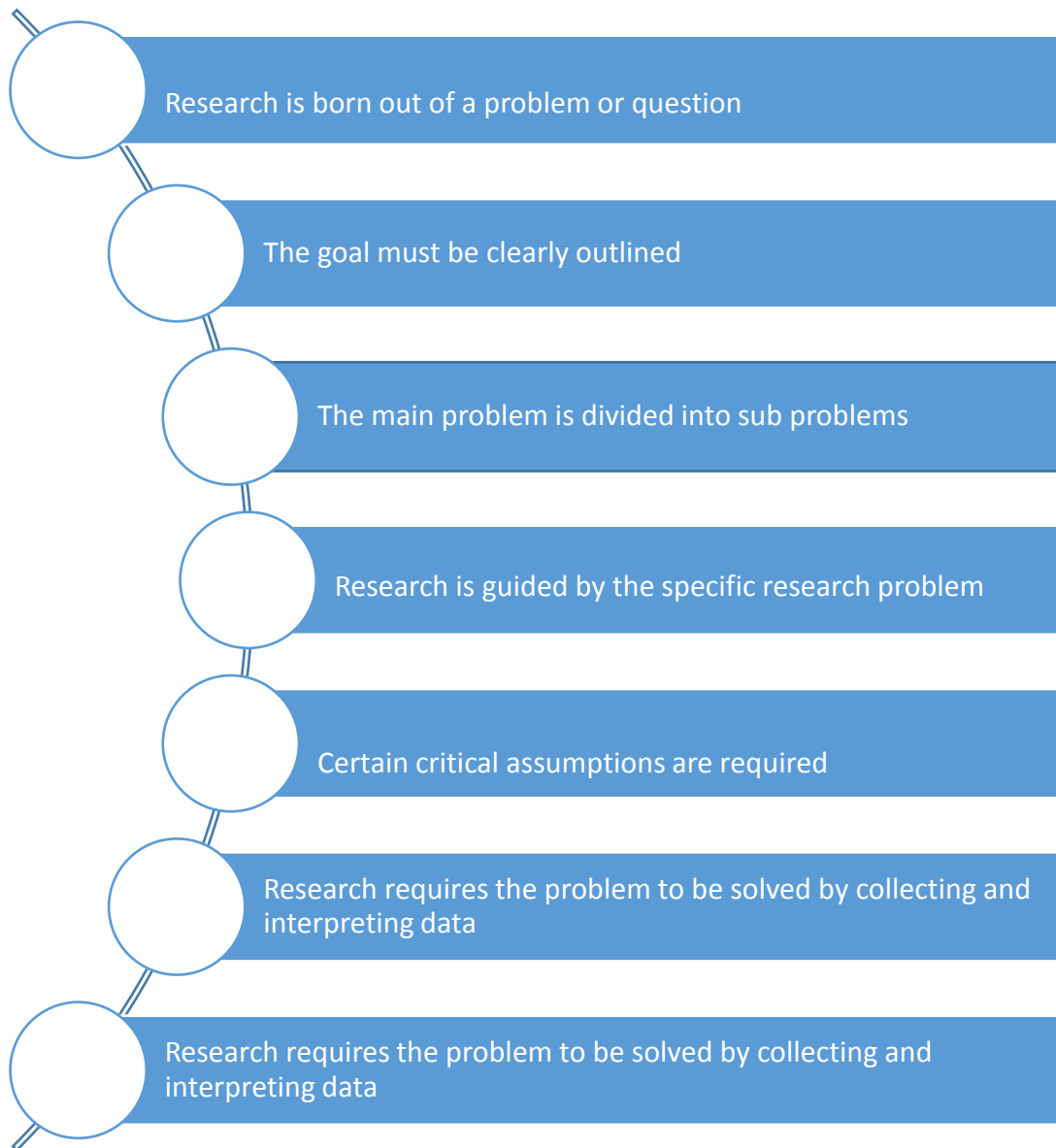
3.1 Introduction

A detailed analysis of the entire research process and the steps involved in the research methodology adopted in this study will be presented in this chapter. After the aims and objectives have been clearly defined and outlined, the decisions relating to the methods of sampling used in the study will be motivated and the data collection strategy will be described, including how the data collected was analysed. The ethical considerations, including validity and reliability will also be outlined in this chapter.

3.2 Broad understanding of research

Research is a common term used to describe the process whereby solutions are sought to a problem being experienced. This process generally results in the researcher gaining a deeper understanding of the various factors and situations identified in relation to the problem (Sekaran and Bougie, 2010). Leedy and Ormrod (2013) noted that the trigger to a research process being undertaken is often linked to researchers either trying to increase their knowledge or understanding of a specific phenomenon impacting on a problem they are facing, or to the curiosity of researchers in identifying areas in which they are concerned or interested.

Figure 3.1: The seven characteristics of research



Source: Adapted from Leedy, P.D. and Ormrod, J.E., 2013. *Practical research planning and design*, 10th Ed. USA: Pearson Education.

3.3 Purpose of study

The foundation for this study was established on the grounds of the literature review presented in Chapter Two. The study was descriptive in nature as the characteristics are known to exist and the researcher intended to be able to describe them clearly, as suggested by Sekaran and Bougie (2010). The development of business

management skills of participants in an enterprise development training programme were investigated.

3.4 Main Aim

The main aim of the study is to identify factors that assist the development of business management skills through a South African enterprise development youth entrepreneurship programme (SAB KickStart).

3.5 Objectives

The main aim was achieved through the following objectives:

3.5.1 To compile a demographic profile of the participants of the enterprise development programme according to *gender, age, highest level of education*, to determine if a relationship between these demographic factors and the development of business management skills exists.

3.5.2 To identify whether work experience in terms of managerial experience and type of business industry could serve as a factor correlating to the development of business management skills.

3.5.3 To determine the impact of the enterprise development training on the business management skills of the participants.

3.6 Study Design

The aim of a research design is to provide the most accurate and valid answers to the research question using an appropriate mode of enquiry (Ishwarduth, 2004). The approach used to analyse the results can either be a quantitative approach, in which numerical data are generated through the asking of structured questions, or a qualitative approach, in which non-numerical data are generated (Saunders, Lewis and Thornhill 2009). Quantitative approaches involving the use of methods such as the administration of questionnaires generate data which may be analysed

statistically, while qualitative approaches, which involve the use of methods such as interviews, allow for the categorisation of data. The choice of either of these depends on whether an exploratory study (where not much is known about the research area) is undertaken, or whether a descriptive study (where characteristics of the variables of interest are to be described under certain situations) is undertaken (Sekaran and Bougie, 2010).

A quantitative, correlational, descriptive study design was selected, as “descriptive research examines a situation as it is” (Leedy & Ormrod, 2005, p.179). According to Bell (1999), quantitative research collects factual data and studies relationships by using techniques that produce quantifiable conclusions. Descriptive studies allow variables to be described in detail, via statistical methods and narration (Babbie & Mouton, 2001).

The study was cross sectional in nature, as this allowed the researcher to examine a ‘snap-shot’ of a study population at a particular point in time (Cohen et.al, 2011). This study design was selected as it was quick to conduct and generally cost-effective to administer. Other advantages included that were limited control effects as subjects only needed to participate once allowing for a larger sample and this supported statistical analysis by comparing subgroups within the sample which is suitable for demographic factor analysis (Cohen et.al, 2011). Cross sectional studies are not without its disadvantages as omission of a single variable can possibly undermine results significantly and background details of each sample have to be collected each time which can cause possible time delays (Cohen et.al. 2011). For this study the disadvantages were mitigated through thorough data collection and analysis, taking utmost care to not omit any variables and data was collected from a single sample, time delays were minimised.

3.7 Study Population

A population is “any precisely defined set of people or collection of items which is under consideration” (Hussey & Hussey 1997, p. 55), while a sample is defined as “a subset of a population and should represent the interest of the study” (Hussey & Hussey 1997, p. 55) The study population comprised of the total applicants of the

youth entrepreneurship competition since the programme's inception in 1995. The programme is run nation- wide annually and participants (entrepreneurs under the age of 35), which is approximately 7000 applications per year (Swanepoel, 2008). Applicants for the programme first apply to undergo an interview where a shortlisting takes place to select the most promising entrepreneurs. The number of shortlisted applicants from this larger pool is then narrowed down to 60 participants. This shortlisted "top 60", as they are known in the programme, undergo training in entrepreneurship and business management. Once the top 60 undergo the training, they are required to develop a business plan which is then adjudicated by a panel of judges and a final selection of 18 finalists are selected to receive grants and mentoring. Thus, the study population for this study consists of the shortlisted "top 60" entrepreneurs selected for training for 2014, making the sample size of the study 60.

3.8 Sample Selection

Non-probability convenience sampling was used in the selection of the study population (Leedy & Ormrod, 2013). Since the total population of all applicants prior to shortlisting to the "top 60" is not included in the study sample a non-probability convenience sampling method was used in the selection disciplines (Leedy & Ormrod, 2005).

Non-probability sampling does not guarantee that all components of the general population "will be represented in the sample" (Leedy & Ormrod, 2005, p. 206). Convenience sampling makes no effort in establishing a representative component of a population (Leedy & Ormrod, 2005). This sampling procedure was chosen due to time, financial constraints and transport logistics.

3.9 Sample size

A total of 60 participants comprised the sample size that meet the selection criteria for the 2014 cohort. The 2014 cohort was selected as they were the most recent participants in the programme and would therefore offer better recollection of the programme details. The researcher further selected these participants as they had

just completed the programme compared to the previous years. Therefore the development of business management skills that may have developed as a result of the programme could be measured.

3.10 Data sourcing, collection and recording procedures

The following sections discuss how the data was sourced and collected. The procedure for data recording then follows.

3.10.1 Data Source

The researcher sourced data directly from a database obtained from the corporate organisation that is responsible for the enterprise development programme. This is a separately run department called the Corporate Social Investment (CSI) Department of SAB. At each region there was a CSI co-ordinator responsible for the programme who was contacted to assist the researcher in obtaining the necessary information such as contact details and demographic details of participants. The process to obtain the data began by requesting permission from the SAB Enterprise Development Department at the SAB head office to obtain data from the regional CSI co-ordinators responsible for the SAB KickStart programme. Once permission was granted, the researcher contacted CSI co-coordinators to request the data.

3.10.2 Data Collection Instruments

A questionnaire was selected as the data collection instrument for this study. An advantage of using a questionnaire is that it allows the researcher to gain access to a large number of people (Cohen et. al., 2011). Participants' identities were kept anonymous to ensure the responses that were obtained were more reliable (Leedy & Ormrod, 2005). Questionnaires were disseminated to participants using Survey Monkey which served as the distribution method of the questionnaire.

3.10.3 Data Collection and recording procedures

The data was collected and recorded through the use of Survey Monkey. The data was then extrapolated from this survey distribution tool which was saved on a password-controlled memory stick. The data was recorded by the researcher and all data was verified by a statistician to ensure that statistical analysis was viable.

3.11 Data Analysis

Once participants completed the questionnaire, the data was extrapolated from Survey Monkey. The data spread sheets were then generated by the researcher and the researcher analysed the data using the Statistical Package for Social Sciences version 15.0 (SPSS Inc., Chicago, Illinois, USA). Descriptive statistics was used to describe the data in terms of proportions of the study population and standard deviation.

The Kruskal-Wallis test which is a non-parametric test was used to analyse data that did not follow normal distribution. This was a suitable test to determine differences between groups and to further determine whether these differences (if any) were significant.

For the data that was normally distributed, the Mann Whitney *U* test was chosen. This test assisted the researcher to rank the data obtained for each variable, and then further identified how different each variable was. If there was a significant difference between the two variables, it implied that most of the high ranks will belong to one condition and most of the low ranks will belong to the other one (Cohen et.al., 2011).

The data was also analysed using correlational statistics, using the Spearman rank correlation test. For the analysis of variance the Chi-Squared test was used to determine statistically significant difference. According to Cohen et.al. , 2011, p651, “the chi-squared test measures the difference between a statistically generated expected result and an actual observed result to determine whether there is a statistically significant difference between them”.

3.12 Validity and Reliability

Validity and reliability of the data collection instrument in a research study are important (Leedy & Ormrod, 2010), as they impact on the extent to which one can learn about the phenomena under study, the probability that of obtaining statistical significance in the data analysis, and the extent to which meaningful conclusions can be drawn from the data (Leedy & Ormrod, 2010).

3.12.1 Validity

The internal and external validity was ensured as follows. During the formulation of the questionnaire the length and complexity of the questions were given careful consideration and were constructed to facilitate efficient data collection.

External validity is the extent to which a study's results apply to situations beyond the study itself, i.e. generalizability of the findings of the study (Leedy & Ormrod, 2010). Due to the fact that entrepreneurs under the age of 35 formed the study sample, diversity in terms of life experience, educational opportunities and business backgrounds may not always meet the requirements of a representative sample of entrepreneurs in other contexts.

Internal validity refers to the extent to which a study's results can be interpreted accurately (Leedy & Ormrod, 2010). Since internal validity offers researchers confidence to conclude what they have conducted in their study caused what they observed in their results (Cohen et. al. 2011), it lends itself more toward studies focussed toward cause and effect rather than descriptive and inferential statistics as in the current study.

3.12.2 Reliability

The reliability of the research study was maintained, as only the researcher was involved in collecting the data; hence standardization or internal consistency was achieved in the use of the data collection instrument (Creswell, 2009). A pilot study

was conducted to test the adequacy of the questionnaire to determine whether the interpretation of the questions were the same or similar for all participants in the pilot study. To further increase reliability of the study all data was obtained from the SAB CSI coordinator who ensured that all information is factual and true.

3.13 Pilot study

A pilot study was conducted with two past SAB KickStarters. The pilot study gave the researcher valuable information about the time required to fill out the questionnaire, provide useful suggestions in terms of the length of the questions, whether or not questions are clear, concise and simple to understand. Based on the feedback given from the pilot study, the researcher made necessary alterations to the questionnaire.

3.14 Ethical considerations

The research proposal was submitted to the University of KwaZulu-Natal (Graduate School of Business) Research and Ethics Committee for approval to be obtained. Following this approval, the researcher followed ethical guidelines from the University of KwaZulu-Natal Research and Ethics Committee. Anonymity and confidentiality was guaranteed throughout the research process (Cohen et. al., 2011). A significant ethical consideration was that all documents were provided with a code number and no actual names of participants or other identifiable indicators were revealed during any of the stages of the research process (Leedy & Ormrod, 2005).

3.15 Summary

This chapter highlighted the aim and objectives of the study, the description of the study sample, the data sourcing, collection and recording information, the research procedure as well as ethical issues taken in the study. The findings of the present study and discussion thereof are presented in the chapter that follows.

CHAPTER FOUR

Results and discussion

4.1 Introduction

This chapter will present results in accordance to the aims and objectives of the study using the quantitative data obtained from a questionnaire administered by Survey Monkey®. The aim of the study was to identify factors that assisted the development of business management skills through a South African enterprise development youth entrepreneurship programme (SAB KickStart). The discussion is integrated into the presentation of results of the variables relating to the development of business management skills. Fifty one (51) participants began to respond to the questionnaire, of whom 39 participants went on to complete the entire questionnaire giving a response rate of 65%. The actual time taken to complete the survey was 10 minutes as reported by Survey Monkey, which was in line with the estimated time.

4.2 Treatment of data

All incomplete and inaccurate data was identified to ensure that all “began survey but incomplete” surveys did not form part of the data set and to ensure that no further analysis was conducted on the incomplete data. The results are represented graphically and in tabulated format to ensure ease of understanding. As per the guidelines set out by Sekaran and Bougie (2010) in Table 4.1, the data is presented using inferential and descriptive statistics.

Table 4.1: Guidelines for quantitative data analysis

| | Measures of Dispersion | Tests of significance | Central tendency | Visual Summary for single variable | Measure of relationship between variables |
|--------------------------|--|------------------------------|-------------------------|---|--|
| 1 Nominal scales | Nil | Chi-square | Mode | Bar graph, Pie Chart, Table showing frequencies | Cross tabulation |
| 2 Ordinal scales | Semi-interquartile range | Rank order correlations | Median | Bar graph, Pie Chart, Table showing frequencies | Cross tabulation |
| 3 Interval scales | Standard deviation, Variance, Coefficient of variation | t-statistic, F-statistic | Mean | Histogram, Scatterplot, Box and whisker diagram | Correlation |
| 4 Ratio scales | Standard deviation, Variance, Coefficient of variation | t-statistic, F-statistic | Mean | Histogram, Scatterplot, Box and whisker diagram | Correlation |

Source: Adapted from Sekaran, U. and Bougie, R., 2010. *Research methods for business*, 5th Ed. West Sussex: Wiley and Sons Ltd

As depicted in Table 4.1, cross tabulation and chi-square tests were used to test for significance and measure the relationship between variables used in nominal scales, together with bar and pie charts to illustrate the visual summary.

4.3 Objectives of the study

Each of the objectives that were set for this study were linked to the various questions in the data collection instrument so as to ensure that adequate data was collected in order to answer the research question. The presentation and discussion of results are set out below for each objective of the study.

4.3.1 Objective 1: Demographic profile of the participants according to *gender, age, highest level of education*

To compile a demographic profile of the participants of the enterprise development programme to determine if a relationship between these demographic factors and the development of business management skills exists.

4.3.1.1 Gender

Of the 39 participants it was found that about two thirds (68%) were male and 32% female. In order to determine whether a relationship between gender and the development of business management skills from the SAB KickStart Programme exists, a t-test showed that there existed no significant difference between male and female participants (Table 4.2 and table 4.3). This finding is different to that of a study conducted in Brazil by Youssef et. al. (2013) who found that female entrepreneurs who participated in their study and responded to their questionnaire were found to be higher qualified in terms of business management skills than the male respondents.

Figure 4.1: Gender distribution of the participants (%)

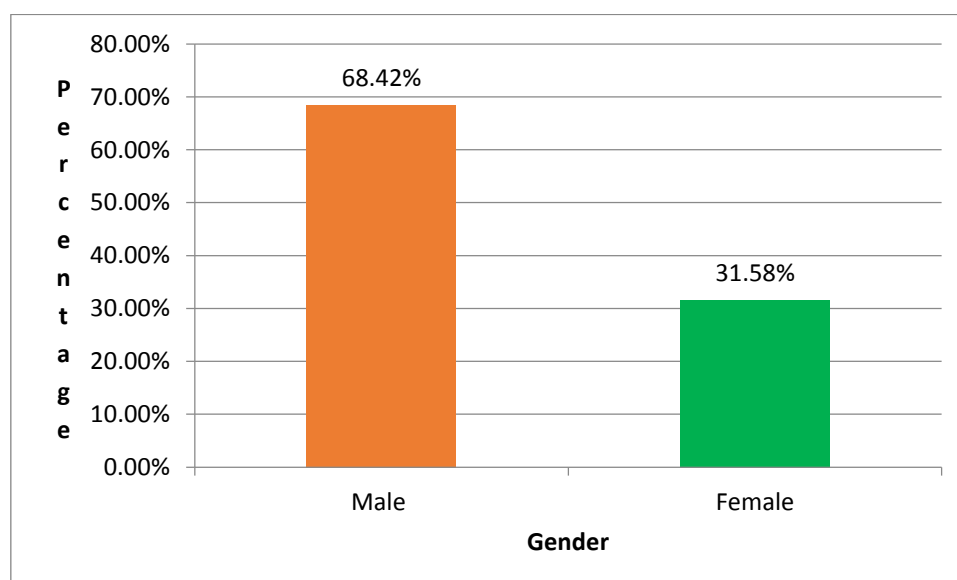


Table 4.2: Descriptive statistics for overall mean score for gender

| Group Statistics | | | | | |
|------------------|----------------------------|----|---------|----------------|-----------------|
| | What is your gender - Male | N | Mean | Std. Deviation | Std. Error Mean |
| Total | Male | 26 | 62.5385 | 8.97655 | 1.76045 |
| | Female | 12 | 63.1667 | 6.79349 | 1.96111 |

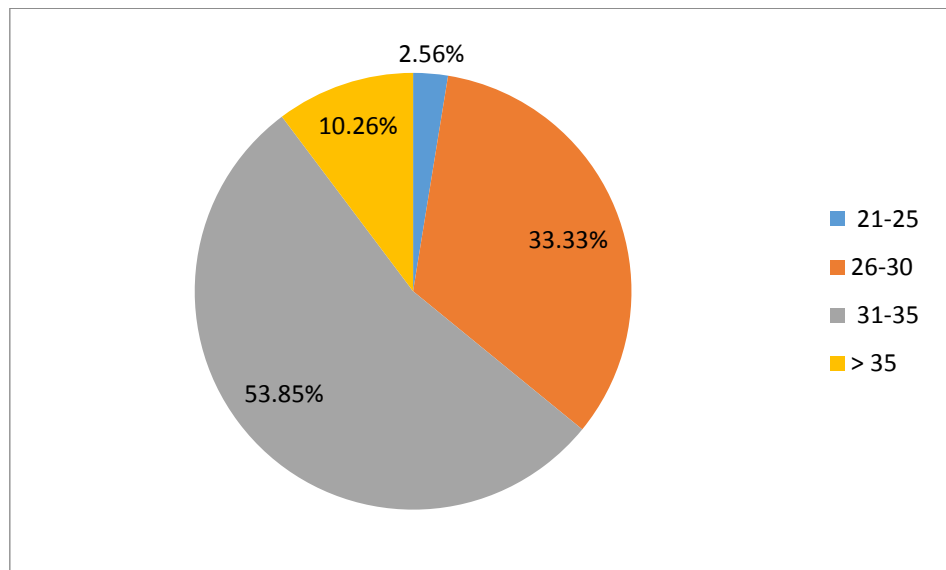
Table 4.3: t-test for Equality of means for overall score for impact of KickStart programme between genders

| | | F | t | df | P value | 95% Confidence Interval of the Difference | |
|-------------|-------------------------|------|-------|----|---------|---|---------|
| | | | | | | Lower | Upper |
| Total Score | Equal variances assumed | .471 | -.215 | 36 | .831 | -6.55248 | 5.29607 |

4.3.1.2 Age

When considering age as a demographic factor it was found that 87% of the respondents were between the ages of 26 years and 35 years (Figure 4.4). Whilst 10% were older than 35 years old, only 3% were between the ages of 21 to 25 years of age. Results showed that there was no significant difference in the overall development of business management skills from the SAB KickStart programme and the age of the respondents. This finding of the majority of respondents being between the ages of 26 and 35 years of age is supported by the work of Jonker et. al. (2009) who state that in order to combat poverty and unemployment, there should be an increase in the focus on the youth entrepreneurs (under 35 years). To support the initiative of fostering youth entrepreneurship, the South African government through the Department of Economic Development have created the Department of Trade and Industry (DTI) an organisation who provide financial assistance to emerging entrepreneurs as well as the National Youth Development Agency (NYDA) which offers support to entrepreneurs seeking assistance in sourcing resources for business development for the youth (Jonker et al., 2009).

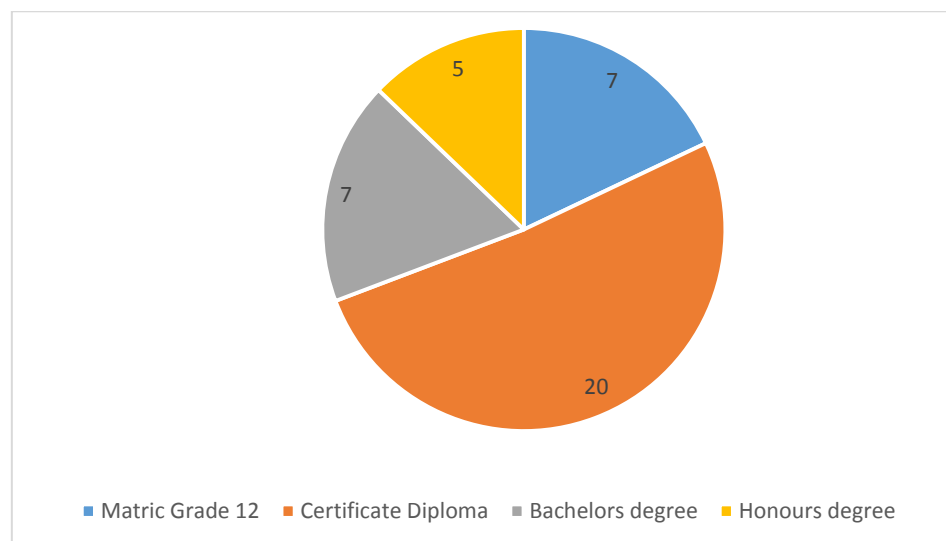
Figure 4.2: Distribution of age of the respondents (%)



4.3.1.3 Highest level of education

The respondents' highest level of education was determined to measure whether this serves as a determining factor in the development of business management skills. It was found that more than half (51%) had a Diploma qualification (Figure 4.5), 18 % had a matric qualification, whilst those with bachelors and honours degrees constituted 18% and 13% as their highest level of education, respectively.

Figure 4.3: Participant's highest level of education (%)



This finding is of significance as it was found that respondents with Matric/Grade 12 as their highest level of education presented with a significantly higher overall mean score on the Tukey Multiple Comparison test when compared to those with Bachelors/Honours degrees as their highest level of education. This finding implies that participants of the SAB KickStart programme who have a Matric/Grade 12 as their highest qualification found the SAB KickStart programme more useful in terms of the development of business management skills when compared to their Honours level counterparts (Table 4.4). This may be suggestive of the fact that the SAB KickStart programme material is presented such that it is both meaningful and suitable for all participants even those who may not have had an opportunity to seek tertiary education possibly due to limited resources. Furthermore since SAB KickStart enterprise development focusses on poverty alleviation and redress at the SMME level among the previously disadvantaged groups who do not require post-matric qualification and this finding is therefore congruent with SAB KickStart's mission which aims to attract and assist youth entrepreneurs with limited opportunity.

Table 4.4: Descriptive statistics for overall mean score regarding participant's level of education

| | N | Mean | 95% Confidence Interval for Mean | | Minimum | Maximum |
|---------------------|----|---------|----------------------------------|-------------|---------|---------|
| | | | Lower Bound | Upper Bound | | |
| Matric Grade 12 | 7 | 67.5714 | 64.0353 | 71.1076 | 63.00 | 72.00 |
| Certificate Diploma | 20 | 63.4500 | 60.7064 | 66.1936 | 51.00 | 73.00 |
| Bachelor's degree | 7 | 54.7143 | 43.0437 | 66.3849 | 32.00 | 73.00 |
| Honours degree | 5 | 63.2000 | 53.6464 | 72.7536 | 55.00 | 74.00 |
| Total | 39 | 62.5897 | 59.9304 | 65.2491 | 32.00 | 74.00 |

4.3.2 Objective 2: Work experience of participants in terms of managerial experience and type of business industry that could serve as a factor correlating to the development of business management skills

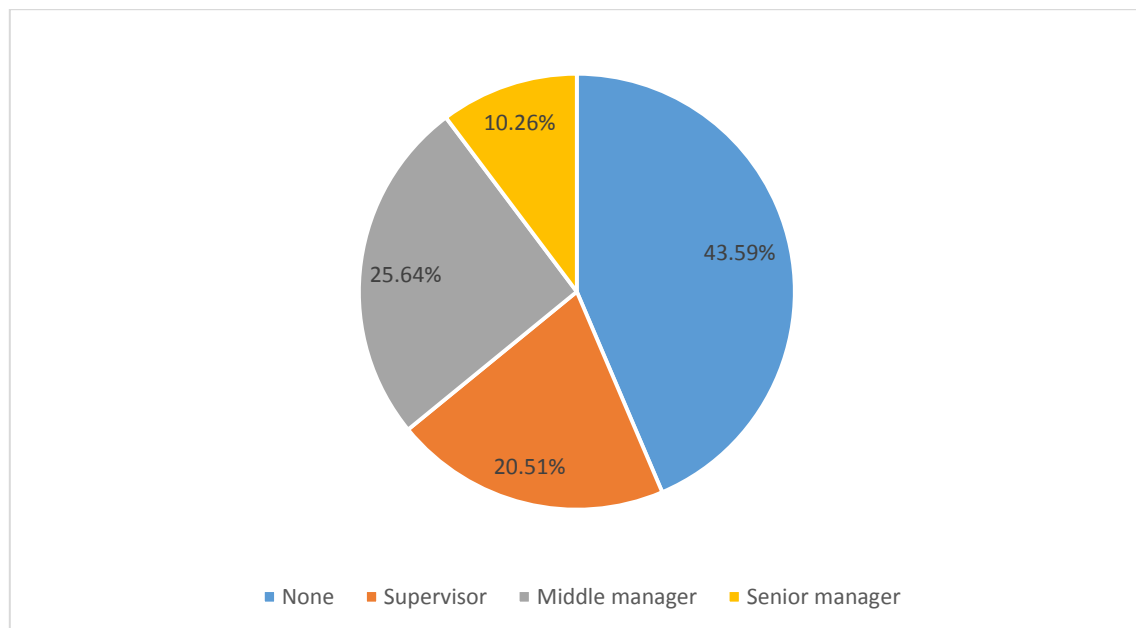
To identify whether work experience in terms of managerial experience and type of business industry could serve as a factor correlating to the development of business management skills.

4.3.2.1 Managerial experience of the respondents prior to starting their business.

Less than half of the respondents (44%) indicated that they had no managerial experience when they started their business. This finding is significant as the SAB KickStart programme participants are ideally youth entrepreneur start-up businesses and the opportunity for these respondents to have prior managerial experience within the SMME sector would be limited. (Figure 4.6). There was no relationship between the level of managerial experience and the impact of the development of business management skills identified. When considering the “supervisor” (20%), “middle manager” (26%) and “senior manager” (10%) categories, it is likely that these respondents were previously employed before becoming business owners. This assumption is based on the fact that the ideal SAB KickStart candidate is an entrepreneur under the age of 35 with a start-up business. Such a candidate may not have had an opportunity to gain managerial experience (supervisor, middle and senior manager) becoming an owner of a SMME/start-up company. However, it is also important to note that prior managerial experience before starting a business may prove to be beneficial to a new business owner as it may serve to enhance their skill set in terms of planning, controlling and executing in their business.

This is further supported by Auken & Manning (1993) as cited in Swanepoel (2008) and Tustin (2003) who state that managerial inexperience is a major cause of business failure. Whilst participants of the SAB KickStart programme do not require prior managerial experience as a pre-requisite for entry into the programme, once the entrepreneur undergoes the training and applies the knowledge and skills learnt from the programme to their business there is an expectation from the entrepreneur to “scale-up” or expand their business and in turn increase the number of employees. This will then contribute to the fight against unemployment. However, from the perspective of the entrepreneur who now becomes an employer, these managerial skills (especially the skill of managing people and organizational behaviour within the organisation) become important.

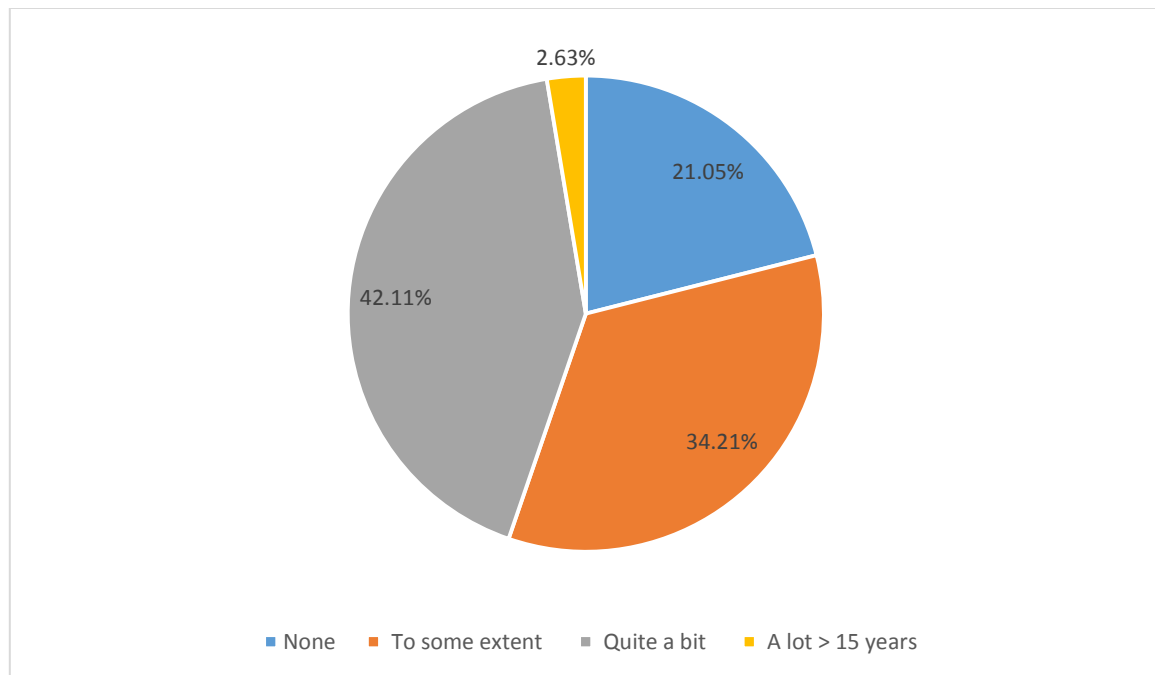
Figure 4.4: Managerial experience of the respondents prior to starting their business



4.3.2.2 Previous experience in a similar business/industry

When asked about how much previous experience in a similar business the respondents had, only one respondent mentioned having more than 15 years of experience within a similar industry with 8% stating that they had no experience at all. This finding (8%) indicates that the business owners have no prior experience at all in the manufacturing or selling of a similar product or service to the one that they entered the SAB KickStart programme with. The majority of respondents (>75%) stated that they had “to some extent” or “quite a bit” experience on the likert scale rating. This finding corroborates with the results received regarding the distribution of age of respondents, the majority of the respondents of were in the age range of 26 - 35 years (Fig 4.4) suggesting that it was unlikely for the respondents to have more than 15 years of prior business experience before starting their own business. When considering the number of years of experience within a similar business industry, it was found that there was no relationship that existed with the overall development of business management skills.

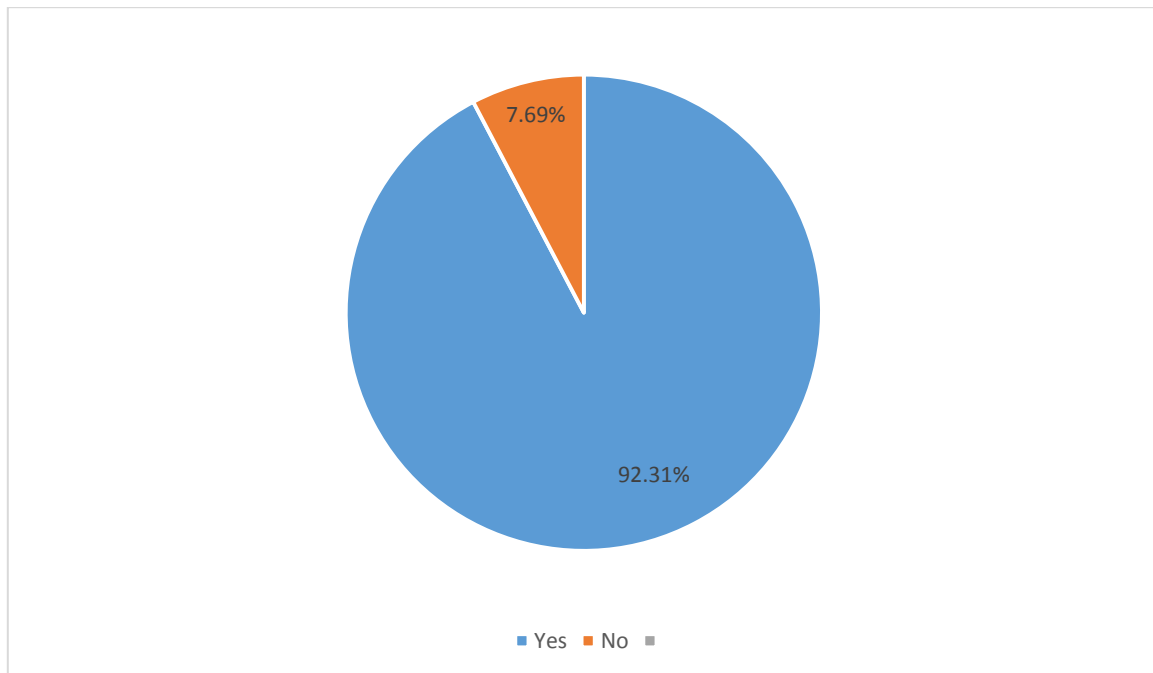
Figure 4.5: Previous experience in a similar business/industry



4.3.2.3 Continued ownership post SAB KickStart training

Almost all the participants (92%) reported that they still had the business that they owned (or shared) after the SAB KickStart training. (Figure 4.8). This finding indicates that participants owned viable and sustainable business as the programme may have enhanced their existing product offering or service. According to Du’Plessis as cited in Karodia (2013), p.3 “South Africa has one of the worst failure rates in the world among start-up business” The findings from the respondents for this question may suggest otherwise as the majority of respondents (92%) stated that they still owned the same business after the SAB KickStart training. It must be noted that the data for this study was collected a few months post SAB KickStart training and that it not a true measure of business sustainability. Furthermore, of the remaining 8% of respondents who stated that they no longer owned the business, two respondents stated that they had ‘ceded” the business over to another as opposed to the business failing.

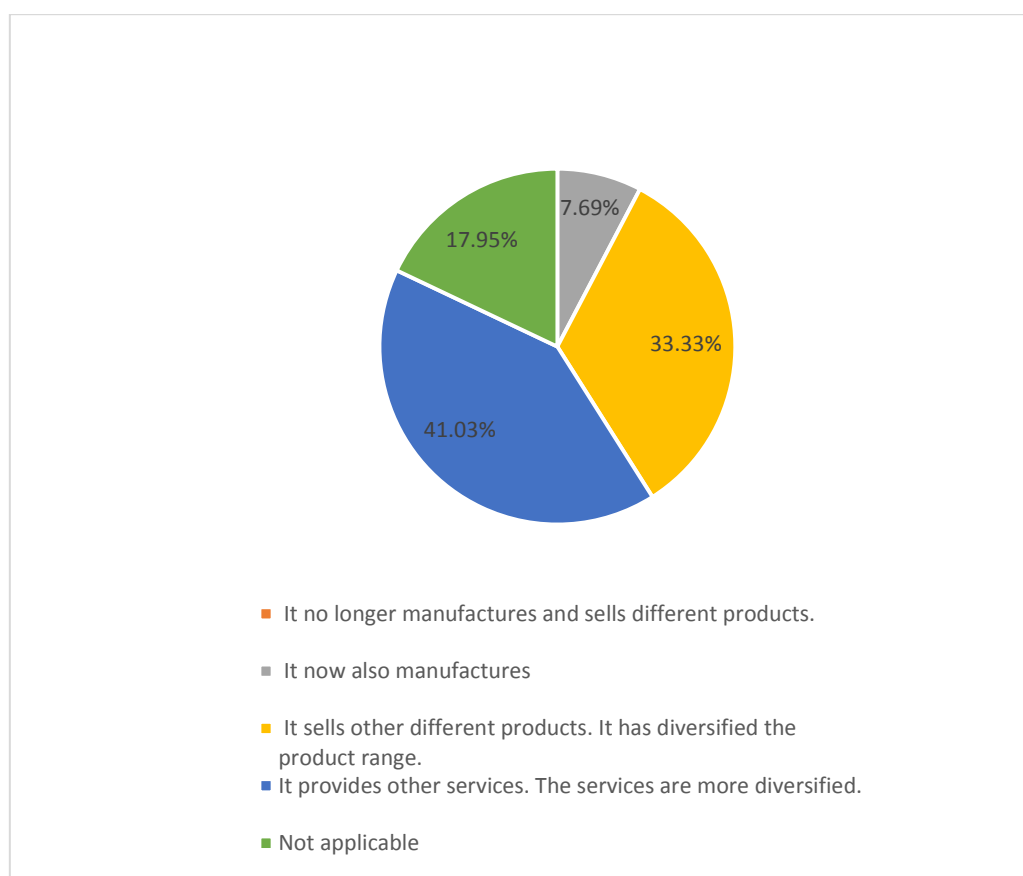
Figure 4.6: Respondents who still owned the same business after completing the SAB KickStart programme.



4.3.2.4 Business changes post SAB KickStart training

When asked about any changes made to their business post SAB KickStart training, 41% of respondents mentioned that their business service offering was now more diversified and 33% stated that their product range was now more diversified (Figure 4.9). This finding is meaningful as it suggests that these respondents did not change their core business activity but rather through diversifying they improved their existing service or product offering. This finding may possibly be as a result of the SAB KickStart training helping the entrepreneur conduct feasibility analysis and screen their existing businesses to potentially capture new opportunities within their businesses.

Fig 4.7: Respondents views on how their business has changed after the SAB KickStart training



4.3.3 Objective 3: Impact of the enterprise development training on the business management skills of the participants.

To determine the impact of the SAB KickStart training on the development of business management knowledge and skills of the participants.

In order to determine the SAB KickStart training's impact on the development of business management skills, respondents were asked to rate 18 statements on a scale starting from "not at all" to "extremely" (Figure 4.10). It was found that the majority (>75%) of the participants indicated that the SAB KickStart training programme was extremely good and that the programme improved their ability to manage their businesses.

4.3.3.1 Financial accounting skills

When asked if the SAB KickStart training helped increase sales and profits, only 28% reported that the training was extremely helpful with 48% of respondents reporting that the training proved fairly helpful in this regard. In terms of improving control of cashflow of their businesses, 51% of respondents stated that after training they had a fair improvement of cashflow. When looking at the overall financial accounting skills (profits, sales and cash flow), it was observed that the majority of respondents found the SAB KickStart training useful in assisting them in improving these areas within their businesses. Basic financial accounting skills are important to entrepreneurs as it assists entrepreneurs through identifying market opportunities, identifying suitable profit margins and reducing expenses in order for their businesses to sustainably prosper (Jiyane & Zawada, 2013).

4.3.3.2 Business planning

In terms of whether the SAB KickStart training assisted respondents with drawing up better business plans, 64% responded that the training proved extremely useful in forming better business plans. It must be noted that as part of being selected to participate in the SAB KickStart competition, the participant is required to submit a business plan. Based on the business plan together with a business pitch, the potential candidate will then be judged by a group of panelists whether or not they will progress further into the Top 60 finalist cohort. With this being said, all the respondents would have had drawn up a business plan and then after the SAB KickStart training refined their business plans for further assessment of their entrepreneurial venture. Since the business plan is a powerful tool that an entrepreneur uses to communicate to stakeholders and potential investors or interested parties, it should be a well written document that succinctly details the point in time that business currently is in, the expected needs of the business and finally the projected outcome. Therefore the finding that the majority of respondents found the SAB KickStart training useful in business plan drawing appears positive.

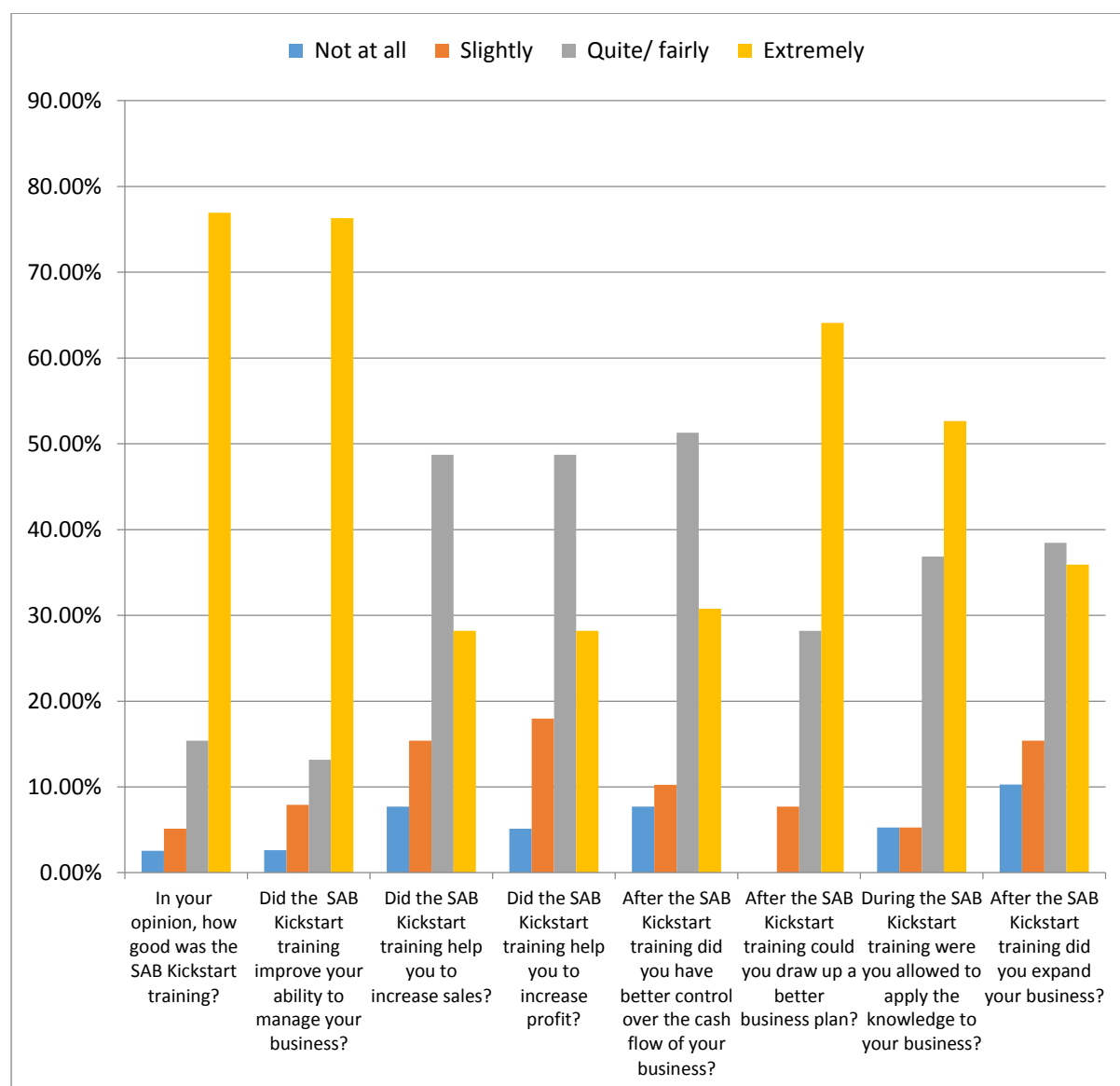
4.3.3.3 Applicability of training

The SAB KickStart training runs over a two week period and the course content must be practical and meaningful so that the respondents can apply what is being taught directly into their business. More than 80% of the respondents found the SAB KickStart training fairly or extremely useful in applying the knowledge learnt during the training to their business. This finding is significant as it suggests that respondents found the training practical and were able to generalize and apply the content being taught to their actual businesses. This finding is supported by Gordon et.al. (2012) who states that entrepreneur business training courses should be non-prescriptive but rather supportive and well designed to meet the needs of a small emerging business.

4.3.3.4 Business expansion

In terms of business expansion post SAB KickStart training 74% of respondents reported that they found the training fairly or extremely useful in expanding their business. This finding may suggest that the training helped the entrepreneurs find existing opportunities within their business or newer markets to explore, thereby expanding their existing businesses (Figure 4.10). Business expansion may lead to change in the structure and size of an emerging business. Since the respondents are start-up companies, going forward business expansion is important in order to facilitate growth in terms increasing employees, increasing market share and increased responsibility. The majority of respondents found the training in the area of business expansion useful is suggestive of the fact that the training in this area may be suitable. However, a recommendation for future research that is beyond the capabilities of the current study, should be to measure the actual business growth or expansion post SAB KickStart training after a suitable period of time.

Figure 4.8: Impact of the SAB KickStart training on the development of business management skills.



4.3.3.5 Business management skills

When looking at the results regarding business management skills acquired after the SAB KickStart training, it was found that the majority of respondents stated a favourable (fairly to extremely) positive response to the development of business management skills.

4.3.3.6 Strategy and planning

When considering the skills of strategy and planning, it was found that 59% and 63% found the SAB KickStart training extremely useful in developing these skills (Figure 4.11). This is a favourable finding regarding the programme as strategic planning is a fundamental skill for enterprise development as it facilitates the entrepreneur's future growth and sustainability of the business (Swanepoel, 2008).

4.3.3.7 Financial and project management skills

It was also found that more than 90% of respondents stated that the SAB KickStart programme assisted them with acquiring financial and project management skills. The SAB KickStart training programme places great emphasis in proper financial skills by participants of the programme as the financial health of a business is greatly dependant on the financial management skills (Figure 4.11). During the SAB KickStart training participants receive math literacy, basic accounting, management accounting, budgeting and forecasting lectures. Jiyane & Zawada, (2013) cite financial and project management skills as fundamental aspects of business management and suggest that there needs to be more available training available regarding financial management skills in the SMME sector.

4.3.3.8 Time management

With regard to the skill of time management 18% of participants stated that the SAB KickStart training only "slightly improved", with the remaining respondents stating that this skill was fairly or extremely improved (Figure 4.11). Time management is a critical skill for a start-up SMME owner as it allows for efficient use of limited resources, allocating time to critical or essential components of day to day activity and accurate delegation of tasks. Furthermore the benefit of good time management may translate into more business and therefore more income. When compared to all the other skills, time management was found to have the highest "slightly improved" (Figure 4.11). This could be indicative that more needs to be done in terms of this area within the SAB KickStart training material.

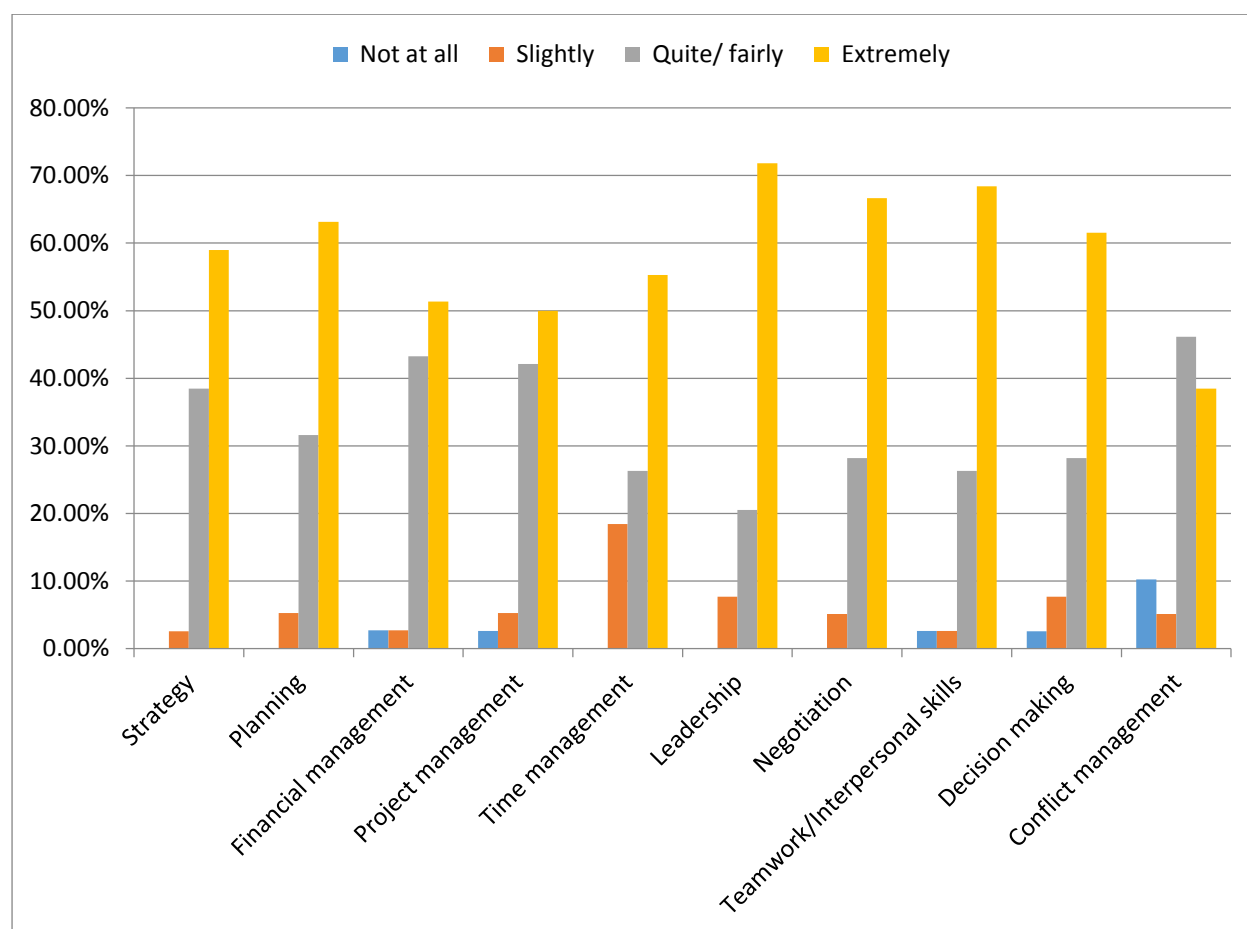
4.3.3.9 Leadership, negotiation, interpersonal and decision making skills

More than two-thirds of the respondents (>67%) indicated that the training program extremely improved skills regarding leadership, negotiation, interpersonal skills and decision making (Figure 4.11). This finding is in keeping with Swanepoel (2008) who states that these skills need to be mastered by entrepreneurs within the SMME sector because it is used in day to day business to secure customers, suppliers, contracts, funding, and credit as well as lease agreements. The findings from this study have shown an improvement in the area of the development of negotiation skills when compared to Swanepoel (2008) who found that 32% of participants found negotiation skills to be “not at all” or “slightly” improved with the current study having no respondents stating that the training was “not at all” and a mere 5% stating that it was only “slightly” improved (Figure 4.10)

4.3.3.10 Conflict management skills

When considering conflict management as a skill the majority of respondents stated that the SAB KickStart training only “fairly” this skill, with 10% of respondents stating that this skill was “not at all” improved through the training (Figure 4.11). This finding suggests that more needs to be done in the area of training of conflict management as this skill proved to be the highest unfavourable response (not at all) when compared to the rest of the skills that respondents were asked to evaluate. The skill of conflict management is fundamental to entrepreneurs as it may impact on the ability to manage conflict from outside/associated professionals or competitors and suppliers (Swanepoel, 2008). This finding suggests that the SAB KickStart training needs to enhance its training on conflict management.

Figure 4.9: Impact of SAB KickStart programme on business management skills



4.4 Summary

This chapter presented and discussed the results of the study according to the objectives.

Objective 1: In terms of the demographic variables gender and age, results were shown to be inconclusive in relating to the development of business management skills. The highest level of education was found to relate to business management skills development as the participants with Grade 12 as their highest education qualification were found to have found the SAB KickStart training more useful than the Bachelor/Honours graduate counterparts.

Objective 2: It was found that there was no relationship between the level of managerial experience and the impact of the development of business management

skills. Whilst the majority of participants had some previous exposure to industries similar to the businesses that they currently own, it was found that there was no relationship that existed with the overall development of business management skills.

Objective 3: It was found that the majority of the participants indicated that the SAB KickStart training programme was extremely good and that the programme improved their ability to manage their businesses. In terms of compiling business plans and business expansion, more than half of the respondents reported that the training proved extremely useful. Most respondents also found the SAB KickStart training extremely useful in applying the knowledge learnt during the training to their business. In terms of the different business management skills acquired post SAB KickStart training, it was found that the majority of participants found the training to be extremely useful in this regard.

The final chapter presents conclusions from the study, limitations and implications for future research.

CHAPTER FIVE

Conclusions, Limitations and Recommendations

5.1 Introduction

The growing SMME sector appears to be a vital weapon in the fight against poverty and unemployment in South Africa, however this sector is still faced with challenges that inhibit entrepreneurial growth. One such challenge is the lack of business management skills, especially amongst youth entrepreneurs. There exist many enterprise development programmes hosted from various companies that assist with business skills training. This study has sought to identify how the SAB KickStart training programme assists in the development of business management skills amongst youth entrepreneurs to establish how the programme could be amended or refined to meet the needs of the emerging entrepreneurs. The objectives that were identified for the study were designed to answer the research question directly, and data were gathered from the participants of the SAB KickStart programme to determine the factors that to the successful development of business management skills. This chapter will highlight the specific conclusions that may be drawn from the study, will focus on recommendations based on the findings, will identify the limitations of the study and will make recommendations for further research.

5.2 Key findings

The data provided significant insight into some of the factors that impact on the development of business management skills from which conclusions may be drawn. Conclusions based on the empirical findings are drawn in relation to each objective that was set for this study, and are presented below.

5.2.1 Demographic profile of respondents in relation to the development of business management skills

The following sections present the demographic profile of respondents who participated in the study.

5.2.1.1 Gender distribution of the SAB KickStart participants

Of the 39 participants it was found that about two thirds (68%) were male and 32% female. There existed no significant difference between male and female participants and the development of business management skills. One can thus conclude that whilst there are more male participants in the SAB KickStart programme, there exists no gender difference in the development of business management skills.

5.2.1.2 Age distribution of the SAB KickStart participants

It was found that 87% of the respondents were between the ages of 26 years and 35 years. Only 3% were between the ages of 21 to 25 years of age. It can thus be concluded that the majority of respondents were between the ages of 26 to 35 years and there was no significant difference in the overall development of business management skills and the age of the respondents.

5.2.1.3 Highest level of education

It was found that more than half of the respondents (51%) had a Diploma qualification, 18% had a matric qualification, whilst those with bachelors and honours degrees constituted 18% and 13% as their highest level of education, respectively. It was found that respondents who had a Matric/Grade 12 as their highest qualification found the SAB KickStart programme more useful in terms of the development of business management skills when compared to their Honours level counterparts. It can thus be concluded that respondents who did not have any tertiary education found the SAB KickStart training to be more useful in the development of business management skills. This is indicative of the fact that the SAB KickStart training is meaningful and suitable for all participants even those who may not have had an opportunity to seek tertiary education possibly due to limited resources.

5.2.2 Previous work and managerial experience including type of business industry in relation to the development of business management skills

The following sections present the work and managerial experience of respondents who participated in the study in relation to the development of business management skills.

5.2.2.1 Managerial experience of the respondents prior to starting their business

Less than half of the respondents (44%) indicated that they had no managerial experience when they started their business. When considering the “supervisor” (20%), “middle manager” (26%) and “senior manager” (10%) categories, it is likely that these respondents were previously employed before becoming business owners. There was no relationship between the level of managerial experience and the impact of the development of business management skills identified. It can thus be concluded that the majority of respondents had some level of managerial experience before starting their business, however the prior level of managerial experience had no impact on the development of business management skills.

5.2.2.2 Previous experience in a similar business/industry

The majority of respondents (>75%) stated that they had “to some extent” or “quite a bit” experience. When asked about how much previous experience in a similar business the respondents had, only one respondent mentioned having more than 15 years of experience within a similar industry with 8% stating that they had no experience at all. One can thus conclude that the majority of respondents had prior experience in the industry that they currently operate in.

5.2.2.3 Continued business ownership post SAB KickStart training

Almost all the participants (92%) reported that they still had the business that they owned (or shared) after the SAB KickStart training. The remaining 8% of respondents who stated that they no longer owned the business, two respondents

stated that they had ‘ceded” the business over to another as opposed to the business failing. It can thus be concluded that the majority of participants displayed the resiliency and commitment for continued ownership of their businesses post SAB KickStart training.

5.2.2.4 Business changes post SAB KickStart training

Regarding the changes made to their business’s post SAB KickStart training, 41% of respondents mentioned that their business service offering was now more diversified and 33% stated that their product range was now more diversified. It can thus be concluded that the majority of respondents improved their existing service or product offering through diversifying their business.

5.2.3 The impact of the SAB KickStart training on the development of business management knowledge and skills.

The following sections present conclusive findings of the impact of the SAB KickStart training on the development of business management knowledge and skills.

5.2.3.1 Financial accounting skills

Respondents were asked if the SAB KickStart training helped increase sales and profits in the business. Findings revealed that 28% reported that the training to be “extremely helpful” with 48% of respondents reporting that the training proved “fairly helpful” in this regard. With regard to the training improving cashflow in their businesses’, 51% of respondents stated that after training they had a fair improvement of cashflow. From these findings it can be concluded that the SAB KickStart training helped the respondents improve their knowledge regarding financial accounting skills which is a critical component of business management.

5.2.3.2 Business planning

With regard to whether the SAB KickStart training improved the respondents knowledge regarding the writing of business plans, it was found that , 64% of

respondents found the training extremely useful in forming better business plans. It can thus be concluded that the SAB KickStart training assisted the respondents in drawing up improved business plans.

5.2.3.3 Applicability of training

More than 80% of the respondents found the SAB KickStart training fairly or extremely useful in applying the knowledge learnt during the training to their business. It can thus be concluded that the SAB KickStart training is easily generalizable and easy to apply to the entrepreneurial environment.

5.2.3.4 Business expansion

The majority of respondents (74%) of respondents reported that they found the training fairly or extremely useful in expanding their business. Whilst it can be concluded that the SAB KickStart training appears to improve the knowledge regarding business expansion, the actual business growth was not measured and will be recommended for future research.

5.2.3.5 Strategy and planning

In terms of business strategy, 59 % of respondents reported that the SAB KickStart training was extremely useful in improving this skill, whilst 63% reported that the training was extremely useful in improving planning skills. It can thus be concluded that the SAB KickStart training significantly improved the participant's skills in the areas of strategy and planning which is fundamental for the business's future growth and sustainability.

5.2.3.6 Financial and project management skills

More than 90% of respondents stated that the SAB KickStart programme assisted them with acquiring financial and project management skills. It can thus be concluded that the SAB KickStart training is successful in improving skills in the area of financial management accounting and project management skills. This is a

favourable finding as the literature in the preceding chapters suggest that there is a need for financial and project management skills in the SMME sector of South Africa.

5.2.3.7 Time management

The majority of participants stated that the SAB KickStart training was fairly or extremely improved. However, time management also yielded the highest selection of “slightly improved” when compared to all other categories. Since a SMME owner may not have the funding requirements, especially at a start-up phase, to employ designated task workers, it is critical that he/she is able to effectively manage their time for maximum output within their business. This is suggestive that there is room for improvement in the SAB KickStart training in the area of time management skill development.

5.2.3.8 Leadership, negotiation, interpersonal and decision making skills

More than two-thirds of the respondents (>67%) indicated that the training program extremely improved skills regarding leadership, negotiation, interpersonal skills and decision making. It can thus be concluded that the SAB KickStart training improved the respondents abilities in these areas which is useful for assisting participants in the securing of customers, suppliers and contracts as well as funding, credit and lease agreement negotiations.

5.2.3.9 Conflict management skills

The majority of respondents stated that the SAB KickStart training only “fairly” improved this skill, with 10%of respondents stating that this skill was “not at all” improved through the training. Since conflict management plays a vital role in the day to day business activity, it is important that SMME owners are well equipped to manage conflict in the workplace to ensure that effective solutions or actions are implemented. It can thus be concluded that the SAB KickStart training did not significantly improve the respondent’s conflict management skills.

5.3 Limitations of the study

The following have been cited as possible limitations to the research study:

5.3.1. The selection of a single group of participants of the SAB KickStart enterprise development programme may impact on the generalization of the results; hence results obtained from this study were only applicable to the participants in the SAB KickStart programme.

5.3.2. Due to inadequate record-keeping relevant data pertaining to the total number of applications to the SAB KickStart training was not available. This may have limited the scope and detail of data that was collected.

5.3.3. Other factors that were not probed in the current study may have also had an impact on the development of business management skill. These include but are not limited to:

5.3.3.1 The participation of respondents in other similar enterprise development programmes which may have impacted on business management skills.

5.3.3.2 Deeper insight into the actual curriculum offered by the SAB KickStart training.

5.3.3.3 When considering the respondent's highest level of tertiary education, it may have proved valuable to identify the area of study as well so as to identify those respondents who may have had tertiary business education such as Bachelor of Commerce/Business Management/MBA as these factors may have impacted on skill development.

5.4 Recommendations for further research

The findings of this study, together with the limitations identified, provide recommendations for further research.

The recommendations for further research include the following:

- A study that measures predictors of success through the SAB KickStart training using the Top 18 SAB KickStart finalists, as presented in the literature review. This could identify potential markers of success in such enterprise development programmes.

- It is recommended that the SAB KickStart training include greater emphasis in the areas of time management and conflict management as these are fundamental skills required by entrepreneurs in the SMME sector.
- It is also recommended that other organisations that offer enterprise development programmes consider a study similar to this one to measure the effectiveness of their training by measuring business expansion and growth as determining factor.
- In this study the sampling frame used was the “Top 60” KickStarters as described in the literature review. It is recommended that this study be replicated on a much larger scale using all SAB KickStart “Top 60” participants since inception of the programme (2001). This would provide a comprehensive picture of the business management skills development as well as improvements or regressions along the years.
- Future studies in the development of business management skills should consider using probability sampling techniques so that those findings are more reliable and may be used with greater accuracy in generalizing the findings to the entire population.

5.5 Conclusion

After considering the limitations of this study, it can be concluded that the research objectives set for this study have been met. This study has raised several valuable, practical and relevant recommendations and has implications for how the South African Breweries may continue to enhance the skills of youth entrepreneurs with the aim of poverty and unemployment alleviation in South Africa. As the economic climate in which SMME's operate in is always changing and facing different challenges daily, so to do the multinational corporates who offer enterprise development programmes adapt to meet this change. The sustainability of the SMME sector lies in the hands of youth entrepreneurs who require the necessary skills to grow SMME's that create meaningful employment for the citizens of South Africa.

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APPENDIX 1

INTRODUCTORY LETTER

Dear participant. My name is Ranjan Sewgambar and I am a final year MBA student at the University of KwaZulu-Natal (UKZN). As part of the requirements of this degree, I am conducting a research project titled: The development of business management skills through a youth enterprise development programme (SAB KickStart)

The information obtained from you will help the researcher understand factors that influence the development of business management skills as well as the influence of the SAB KickStart Programme in developing business management skills.

Instructions

For most of the questions all that is required from you is to place a cross 'X' in the block next to the most appropriate answer. For a few questions that require longer responses, kindly type your answer in the space provided.

It simply takes about 10 to 15 minutes to complete this questionnaire. Thank you kindly for your co-operation. The time taken to participate in this study is greatly appreciated!

APPENDIX 2

INFORMED CONSENT

R. Sewgambar
Graduate School of Business & Leadership
University of KwaZulu-Natal,
Westville Campus

Dear Respondent

INFORMED CONSENT LETTER

My name is Ranjan Sewgambar **(Student No: 200306498)** I am a Master of Business Administration studying at the University of KwaZulu-Natal and I am researching: the development of business management skills through a youth enterprise development programme. It would be appreciated if you would participate in this research

- Your confidentiality is guaranteed as your inputs will not be attributed to you in person, but reported only as a population member opinion.
- The questionnaire will take approximately 10 -15 minutes to fill in.
- Any information given by you cannot be used against you, and the collected data will be used for purposes of this research only.
- Data will be stored in secure storage and destroyed after 5 years.
- You have a choice to participate or not participate in this research study.

Should you have any questions or queries I can be contacted at: Email: ranjan.sewgambar@gmail.com Cell: 0721782680. My supervisor is **Dr. A. Kader** Contact details: email: Abdullak@nedbank.co.za

If you have any questions or concerns regarding your participation in this study, kindly contact **Mariette Snyman** at the University of KwaZulu-Natal Research Office.

Tel: +27 31 260_8350

Email: snymanm@ukzn.ac.za

HSSREC – College of Law & Management Studies
Private Bag X54001
Durban
4000

Thank you for your contribution to this research. A copy of the mini dissertation or a summary of the findings of this study will be emailed to you upon your request.

I..... (full names of participant)
hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature

Date

APPENDIX 3

QUESTIONNAIRE

| | | | |
|---|---|------|--|
| 1 | When were you part of the SAB KickStart Youth Entrepreneurial Programme? Select one. | | |
| | | 2013 | |
| | | 2014 | |

| | | | |
|---|--|--------------------------|--|
| 2 | In which one of the following SA Breweries regions did your business fall? Select one option. | | |
| | | Eastern and Western Cape | |
| | | Central | |
| | | KZN | |
| | | North | |
| | | Egoli | |

| | | | |
|---|--|--|--|
| 3 | In which industry (or industries) does your business fall and what do you sell? | | |
| | | 1.Agriculture, Forestry, Hunting and Fishing Specify: | |
| | | 2. Mining and Construction Specify: | |
| | | 3. Manufacturing Specify: | |
| | | 4. Transport and Communication utilities Specify: | |
| | | 5. Wholesale, Motor vehicle sales and repair Specify: | |
| | | 6. Retail, Hotels and Restaurants Specify: | |
| | | 7. Business services Specify: | |

| | | | |
|--|--|---|--|
| | | 8. Health care, Education and Social services Specify: | |
| | | 9. Customer services Specify: | |

| | | | |
|---|-----------------------------|--------|--|
| 4 | What is your gender? | | |
| | | Male | |
| | | Female | |

| | | | |
|---|---|------------------|--|
| 5 | How old are you now, in completed years? | | |
| | | 1. 18-20 | |
| | | 2. 21-25 | |
| | | 3. 26-30 | |
| | | 4. 31-35 | |
| | | 5. older than 35 | |

| | | | |
|---|--|------------------------|--|
| 6 | What was your highest formal educational qualification at the time of training? | | |
| | | 1. Lower than matric | |
| | | 2. Matric/Grade 12 | |
| | | 3. Certificate/Diploma | |
| | | 4. Bachelor's degree | |
| | | 5. Honours degree | |
| | | 6. Master's Degree | |
| | | 7. Doctorate | |
| | | 8. Other (specify) | |
| | | | |

| | | | |
|---|--|---------|--|
| 7 | Before you became part of the SAB KickStart Youth Entrepreneurial Programme did you have any business management qualification? If yes, what business management qualifications or training did you have? | | |
| | | Yes | |
| | | No | |
| | | Specify | |

| | | | |
|---|---|-------------------|--|
| 8 | At the time when you started your business, what managerial experience did you have? | | |
| | | 1. None | |
| | | 2. Supervisor | |
| | | 3. Middle manager | |
| | | 4. Senior manager | |

| | | | |
|---|--|---------------------|--|
| 9 | When you started your business, how much previous experience in a similar business did you have (e.g. manufacturing or selling a similar product, or delivering a similar service)? | | |
| | | 1. None | |
| | | 2. To some extent | |
| | | 3. Quite a bit | |
| | | 4. A lot > 15 years | |
| | | Specify: | |

| | | | |
|----|---|--|--|
| 10 | Do you still have the business that you owned (or shared) when you became part of the SAB KickStart Youth Entrepreneurial Programme? | | |
| | | Yes | |
| | | No | |
| | | If yes, answer question 11. If no, skip to question 12 | |

| | | | |
|----|--|---|--|
| 11 | If yes, how has the nature of your business changed? You may select more than one option. | | |
| | | 1. It no longer manufactures, but still sells the same products. | |
| | | 2. It no longer manufactures and sells different products. | |
| | | 3. It now also manufactures | |
| | | 4. It sells other different products. It has diversified the product range. | |

| | | | |
|----|--|---|--|
| | | 5. It provides other services. The services are more diversified. | |
| 12 | If you no longer own/share that business, what has happened to that business? | | |
| | | 1. I sold the business | |
| | | 2. I closed the business | |
| | | 3. I changed the name of the business. | |

| | | | |
|----|--|--|--|
| 13 | If you closed the business, why did you close it? | | |
| | | 1. The business did not make enough money. | |
| | | 2. I was employed by another company. | |
| | | 3. Other (Specify) | |

| | | | |
|----|---|------------------|--|
| 14 | In your opinion, how good was the SAB KickStart training? Select the option that applies | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---|------------------|--|
| 15 | Did the training improve your ability to manage your business? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---|------------------|--|
| 16 | Did the training help you to increase sales? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|--|------------------|--|
| 17 | Did the training help you to increase profit? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|--|------------------|--|
| 18 | After training did you have better control over the cash flow of your business? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---|------------------|--|
| 19 | After the training could you draw up a better business plan? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---|------------------|--|
| 20 | After the training did you expand your business? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|--|------------------|--|
| 21 | During the training were you allowed to apply the knowledge to your business? | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

During the training, how well were each of the following business management skills covered?

| | | | |
|----|-----------------|------------------|--|
| 22 | Strategy | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|-----------------|------------------|--|
| 23 | Planning | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|-----------------------------|------------------|--|
| 25 | Financial management | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---------------------------|------------------|--|
| 26 | Project management | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|------------------------|------------------|--|
| 27 | Time management | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|-------------------|------------------|--|
| 28 | Leadership | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|--------------------|------------------|--|
| 29 | Negotiation | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|--------------------------------------|------------------|--|
| 30 | Teamwork/Interpersonal skills | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|------------------------|------------------|--|
| 31 | Decision making | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|----------------------------|------------------|--|
| 32 | Conflict management | | |
| | | 1. Not at all | |
| | | 2. Slightly | |
| | | 3. Quite/ fairly | |
| | | 4. Extremely | |
| | | Other (Specify) | |

| | | | |
|----|---|---------|--|
| 33 | Do you feel that the training can be further improved? | | |
| | | Yes | |
| | | No | |
| | | Specify | |

Thank you for your participation.

Questionnaire adapted from Swanepoel (2008).

APPENDIX 4

ETHICAL CLEARANCE



17 June 2015

Mr Ranjan Sewgambur 200306498
Graduate School of Business & Leadership
Westville Campus

Dear Mr Sewgambur

Protocol reference number: HSS/0534/015M

Project title: The development of business management skills through a youth enterprise development programme

Full Approval – Expedited Application

In response to your application received on 21 May 2015, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamila Naidoo
On behalf of Dr Shenuka Singh (Chair)
Humanities & Social Sciences Research Ethics Committee

/pm

Cc Supervisor: Dr Abdullah Kader
Cc Academic Leader Research: Dr Iyi Hoque
Cc School Administrator: Ms Zerina Bullyraj

Humanities & Social Sciences Research Ethics Committee

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APPENDIX 5

GATEKEEPER'S PERMISSION LETTER



Central Office
The South African Breweries (Pty) Ltd
65 Park Lane, Sandown, Sandton, 2196
Tel (011) 881-8111 Fax (086) 881-8136
PO Box 782178 Sandton 2146 South Africa

To: University of KwaZulu Natal (UKZN)

08 May 2015

Re: Gatekeepers Permission Letter

This letter serves to confirm that SAB KickStart Program has granted access to student Ranjan Sewgambar (Student No: 200306498) to our institution. This is in relation to completing his studies of Master of Business Administration with the University of KwaZulu-Natal's Graduate School of Business on selected research topic: the development of business management skills through a youth enterprise development programme.

Gate Keeper Details

Octavius Phukubye
Enterprise Development Specialist: Corporate Affairs
Octavius.Phukubye@za.sabmiller.com
011 881 8592

A handwritten signature in black ink, appearing to read 'Phukubye', written over a horizontal line.

Signature

Directors
M Leyva (Chairman) (Colombian), Y Z Cuba, M J Dunn (British), M P Fandeso, S Maar (Slovakian), Y Maharaj, K Ngcwembe, A Quaye, A C Wolff
Company Secretary M C B Saxby

Ref No: 1998/006175/07